



**ANNUAL
REPORT**

2021

Digital Platform **Solution**

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- 📶 **Customers** Platform
- 📶 **Supplier** Platform
- 📶 **Knowledge based** Platform
- 📶 **Digital Content** Platform
- 📶 **E-Marketplace**
- 📶 **B2B** Platform
- 📶 **Big Data** Platform
- 📶 **Bank Confirmation** Platform



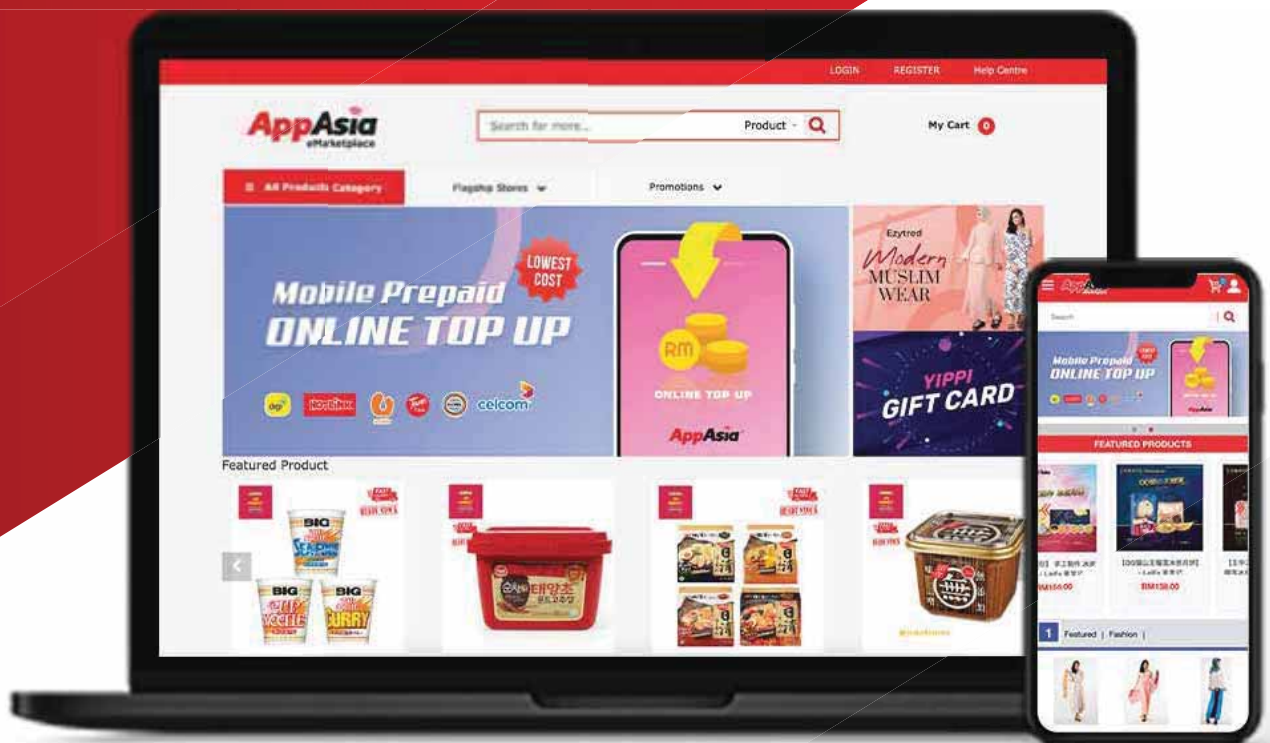
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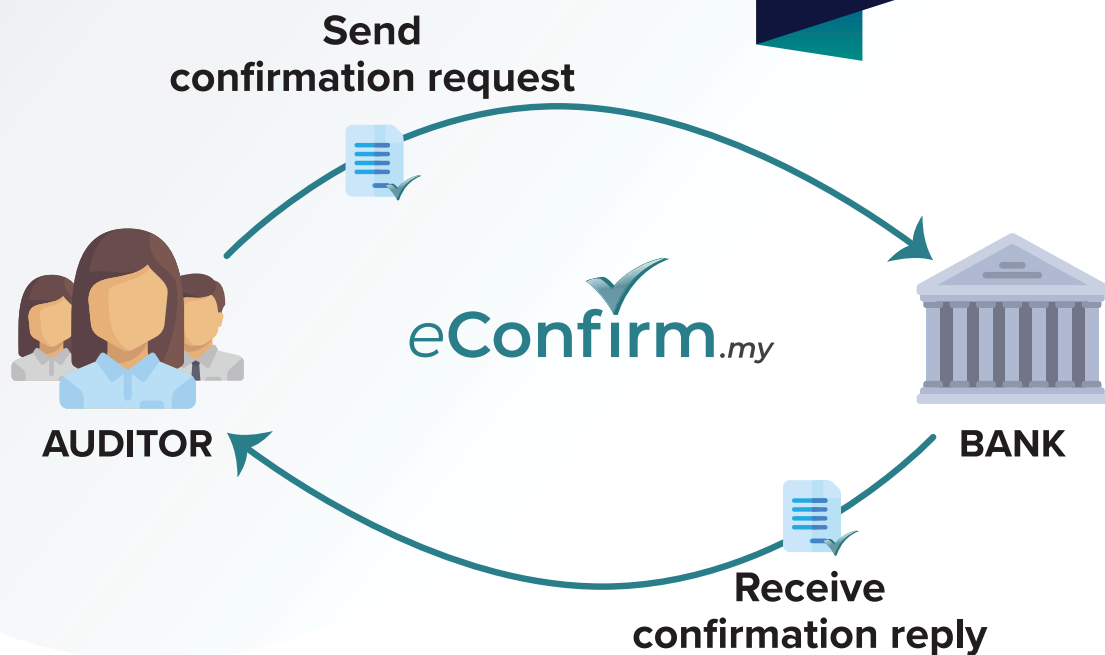


7 Days Return Policy

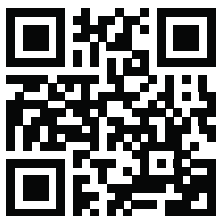


Customer Rebates

Industry-wide Electronic Bank Confirmation Platform



Hotline: +6011-1950 0000
Email: info@econfirm.my



Developed by:



In collaboration with:



Enhance Security



Reduce Fraud Risk



Minimise Human Error



Time Saving



Cost Saving

A Plus Ramadan Combo Set

(Available from 3rd April - 2nd May 2022)



CRISPY CHICKEN NASI LEMAK SET

- Fried Whole Chicken
- Nasi Lemak Set
- Rice x 4
- Soup x 4
- Drink x 4
- 4 Pax

FREE KURMA



ONLY
RM **38.90**
(NORMAL PRICE: RM49.90)

CLAYPOT FISH CURRY SET

- Claypot Fish Curry
- Rice x 4
- Drink x 4
- 4 Pax

FREE KURMA



ONLY
RM **42.80**
(NORMAL PRICE: RM59.90)

CENTERPOINT SEREMBAN



Double Fun

RM 30

1 X CHICKEN KEBAB
1 X BEEF KEBAB
2 X FRIES

(SERVES 2 PAX)



LIMITED TIME OFFER

15th & 30th DAY OFFER

Golden Roaster



Percik Roaster



Pepper Roaster



GOLDEN / PEPPER / PERCİK

RM **27**⁹⁰ / NOS

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medium size

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SWEET PLUM POTATO FRIES



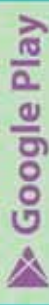
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transactions



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CORPORATE INFORMATION

BOARD OF DIRECTORS

**DATUK WIRA RAHADIAN
MAHMUD BIN MOHAMMAD
KHALIL**

*(Independent Non-Executive
Chairman)*

TOH HONG CHYE

(Executive Director)

WONG NGAI PEOW

(Executive Director)

YONG MAI FANG

(Executive Director)

DATUK JUSTIN LIM HWA TAT

*(Independent Non-Executive
Director)*

TIEW CHEE MING

*(Independent Non-Executive
Director)*

AUDIT COMMITTEE

Tiew Chee Ming (Chairman)
Datuk Justin Lim Hwa Tat
**Datuk Wira Rahadian Mahmud
bin Mohammad Khalil**

REMUNERATION COMMITTEE

Datuk Justin Lim Hwa Tat
(Chairman)
**Datuk Wira Rahadian Mahmud
bin Mohammad Khalil**
Tiew Chee Ming

NOMINATION COMMITTEE

Datuk Justin Lim Hwa Tat
(Chairman)
**Datuk Wira Rahadian Mahmud
bin Mohammad Khalil**
Tiew Chee Ming

SHARE ISSUANCE SCHEME ("SIS") OPTION COMMITTEE

Toh Hong Chye (Chairman)
Wong Ngai Peow
Yong Mai Fang

COMPANY SECRETARY

Chin Wai Yi
(SSM PC No. 202008004409/
MAICSA 7069783)

REGISTERED OFFICE

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 0516

HEAD OFFICE

1-40-1, Menara Bangkok Bank
Berjaya Central Park
No. 105 Jalan Ampang
50450 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 3666

AUDITORS

Messrs TGS TW PLT (AF 002345)
E-5-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-9771 4326
Fax No. : +603-9771 4327

PRINCIPAL BANK

CIMB Bank Berhad

SHARE REGISTRAR

Boardroom Shares Registrars
Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No. : +603-7890 4700
Fax No. : +603-7890 4670

COMPANY SOLICITORS

Messrs David Lai & Tan
Level 8-3 & 8-4
Wisma Miramas
No. 1 Jalan 2/109E
Taman Desa
Jalan Klang Lama
58100 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-7972 7968
Fax No. : +603-7972 7967

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market
Stock Name : APPASIA
Stock Code : 0119

CORPORATE WEBSITE

www.appasia.com

CORPORATE STRUCTURE



APPASIA BERHAD & GROUP OF COMPANIES





DIRECTORS' PROFILES

DATUK WIRA RAHADIAN MAHMUD BIN MOHAMMAD KHALIL *Independent Non-Executive Chairman*

Age
48

Nationality
Malaysian

Gender
Male

Date of Appointment
24 July 2014

Board Committee membership

- Member of the Audit Committee
- Member of the Remuneration Committee
- Member of the Nomination Committee

Qualification, Working Experience and Occupation

Datuk Wira Rahadian Mahmud bin Mohammad Khalil holds a Degree in Civil Engineering from Queen Mary College, University of London in 1996.

He has vast experience in businesses under various industries throughout his career with active participation in reforestation, construction, property development, timber and manufacturing sectors.

From 2005 to 2017 he was the Executive Chairman of Permaju Industries Berhad, an investment holding and provision of management services company.

He was a Non-Executive Director of Magna Prima Berhad from July 2007 to May 2011.

Subsequently, he was re-designated to Executive Director on 12 May 2011 and from 14 April 2014 to 15 July 2021 he was the Group Managing Director.

Directorship of public companies and listed issuers

KYM Holdings Berhad (Independent Non-Executive Director)

Relationship with other directors/ shareholders/ listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

WONG NGAI PEOW Executive Director

Age
46

Nationality
Malaysian

Gender
Male

Date of Appointment
28 May 2014

Board Committee membership
Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Wong Ngai Peow (Calvert) holds a Bachelor Degree in Information Technology and Business Management from the University of Malaya.

He has more than 20 years of in-depth professional experience in the Information Technology ("IT") industry.

Starting as a system analyst, Calvert became a technopreneur after founding several successful IT ventures since 2002. He has implemented various IT projects for many multinational corporations, financial institutions, public listed companies and government agencies in the region, including the online trading system, e-insurance systems, bonds information system, B2C2C e-commerce portal, mobile applications, payment gateway system, cybersecurity solutions, business process integration, social networking system and cloud solution.

Currently, he is spearheading AppAsia Berhad and its subsidiaries business operations and product developments.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/ listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

TOH HONG CHYE *Executive Director*

Age
46

Nationality
Malaysian

Gender
Male

Date of Appointment
24 July 2014

Board Committee membership
Chairman of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Toh Hong Chye holds a Master in Business Administration in Finance from the International Islamic University Malaysia. He is also a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

He founded H.C. Toh & Co., a non-audit firm involved in company secretary, accounting and business advisory services for companies from various industries. His experience covers audit and assurance engagements, corporate reporting and compliance, taxation and wide-ranging overseas exposures. He had been involved in the successful implementation of several corporate exercises which include merger and acquisition and corporate debt restructuring exercises undertaken by private and public listed companies.

Directorship of public companies and listed issuers

- Pegasus Heights Berhad (Executive Director)
- Sinmah Capital Berhad (Executive Chairman)

Relationship with other directors/ shareholders/ listed issuer

- Spouse to Yong Mai Fang, the Director and Shareholder of the Company
- Director and Shareholder of Richmond Virginia Tobacco Sdn. Bhd., the major shareholder of the Company

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

YONG MAI FANG Executive Director

Age
45

Nationality
Malaysian

Gender
Female

Date of Appointment
1 March 2018

Board Committee membership
Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Yong Mai Fang is a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants.

She was the Audit Branch Manager of B. L. Tan & Co. for 10 years. She primarily oversees and manages audit, taxation and other assurance services required by the clients.

She has more than 15 years of experience in accountancy and business advisory services. Her experience covers various sector comprising property development, construction, investment holding, leisure management, servicing and trading.

Based on her vast experience and knowledge, she shall be able to provide her management expertise and skills in assisting the Company to develop and grow to a higher level.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/ listed issuer

- Spouse to Toh Hong Chye, the Director and Shareholder of the Company
- Director and Shareholder of Richmond Virginia Tobacco Sdn. Bhd., the major shareholder of the Company

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil



DIRECTORS' PROFILES (CONT'D)

DATUK JUSTIN LIM HWA TAT

Independent Non-Executive Director

Age

45

Nationality

Malaysian

Gender

Male

Date of Appointment

9 August 2021

Board Committee membership

- Chairman of the Nomination Committee
- Chairman of the Remuneration Committee
- Member of the Audit Committee

Qualification, Working Experience and Occupation

Datuk Justin Lim Hwa Tat graduated from University of East London with a degree of Bachelor of International Business and Leadership.

He is a Malaysian hands-on Chief Executive Officer with over 15 years of expertise and, he is well-experienced in various fields such as Shipping, Commodities, Structured Financing, Fund Raising, Aviation and Trading Sectors.

Being someone who knows where opportunities lie, he turned his businesses into going full force into finding COVID-19 solutions. This is broadly represented in his initiative to provide quality health care products through Kenteam Group of Companies and Asia Glove Hub, both are one of the world's leading manufacturers of Surgical, Examination, High Risk and Multipurpose gloves with worldwide coverage in every key market sector.

He has also acquired management over Melaka United F.C., a Malaysian professional football club based in Melaka that competes in the Malaysia Super League, aiming to support the growth and well-being of their athletes.

Directorship of public companies and listed issuers

- Sersol Berhad (Managing Director)
- SMTrack Berhad (Executive Director)

Relationship with other directors/ shareholders/ listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

TIEW CHEE MING

Independent Non-Executive Director

Age
33

Nationality
Malaysian

Gender
Male

Date of Appointment
1 March 2018

Board Committee membership

- Chairman of the Audit Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee

Qualification, Working Experience and Occupation

Tiew Chee Ming is a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants.

He started his career with Sersol Berhad as an internal auditor in 2014 and was later promoted to Group Accountant in year 2016 to oversee the Group financial reporting and functions. Subsequently, he was promoted to Chief Financial Officer of Sersol Berhad on 9 February 2018 to 25 August 2021.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/ listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

PROFILES OF KEY SENIOR MANAGEMENT

LOKE BAN YEE

Technical Lead, E-Media

Age

35

Nationality

Malaysian

Gender

Female

Date of appointment

1 July 2014

YONG KIN SHENG

Director Of Subsidiary / Executive Producer

Age

29

Nationality

Malaysia

Gender

Male

Date of appointment

10 August 2020

Qualification, Working Experience and Occupation

Loke Ban Yee graduated from Universiti Putra Malaysia with a First-class Degree in Bachelor of Computer Science.

She joined the Company as an Application Solution Architect and was subsequently promoted to Technical Lead on 1 April 2019. She is currently leading the research and development of the digital media technology for the Company.

She has over 11 years of technical experience in the Information Technology industry, with specialised experience in advanced system engineering, design, development as well as technical team management.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/ listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

Qualification, Working Experience and Occupation

Yong Kin Sheng studied Bachelor in Cinematic Arts at Multimedia University. He joined the Company as Executive Producer, currently leading project operations and managing marketing strategy under the video production division of the Company.

He has over 8 years of experience in video production industries, having involved in major commercial productions such as BMW, AirAsia, Mitsubishi and international Netflix drama production. He specialises in directing and producing creative commercial videos.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/ listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

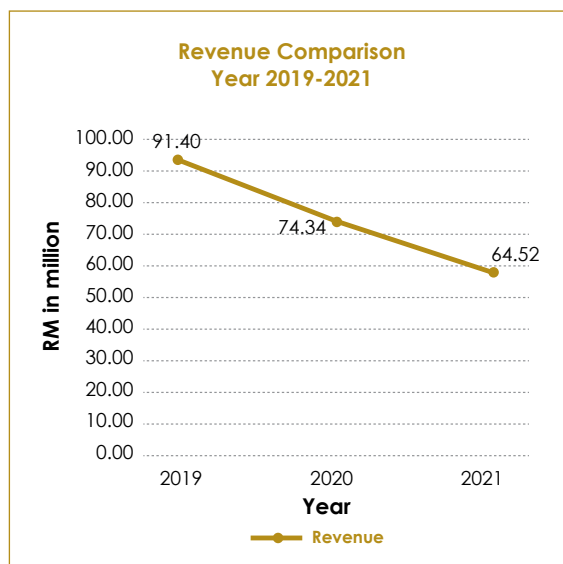
The following Management Discussion and Analysis ("MD&A") aims to assist the reader in understanding the results of operations and financial condition of AppAsia Berhad ("AppAsia") and its subsidiaries ("the Group"). It contains data derived from our audited financial statements and factual statements on how the Group addresses business conditions, future plan, relevant risks, foreign exchange fluctuations, impact of inflation and other economic uncertainties.

The MD&A should be read in conjunction with our financial statements and the accompanying Notes to the Financial Statements.

1) GROUP BUSINESS OPERATIONS AND PERFORMANCE

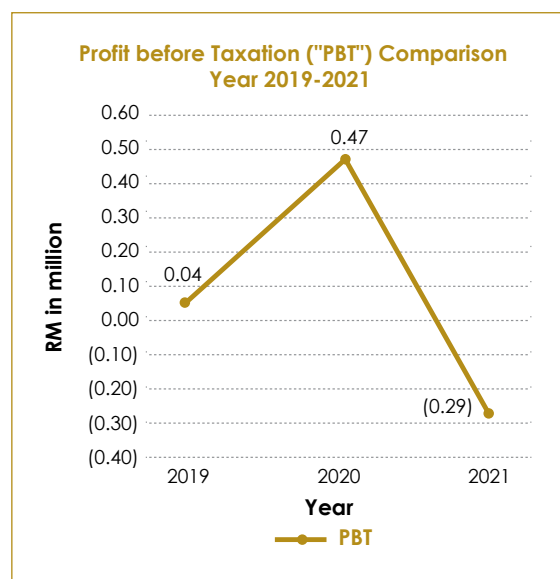
AppAsia is principally engaged in the activities of investment holding and management services. The Group's businesses are categorised into three segments, namely Digital Solutions, E-Commerce and other services. There are eight subsidiaries under the Group as follows:

No.	Company	Ownership
1.	AppAsia Capital Sdn. Bhd.	100%
2.	AppAsia Cloud Sdn. Bhd.	100%
3.	AppAsia International Sdn. Bhd.	100%
4.	AppAsia Mall Sdn. Bhd.	100%
5.	AppAsia Marketing Sdn. Bhd.	100%
6.	AppAsia Tech Sdn. Bhd.	100%
7.	Extol Corporation Sdn. Bhd.	100%
8.	AppAsia Stream Sdn. Bhd.	70%



In the financial year ended 31 December 2021 ("FYE2021"), the Group's revenue decreased by 13.21% from RM74.34 million for the financial year ended 31 December 2020 ("FYE2020") to RM64.52 million. The decrease in revenue was mainly due to the decrease of Business-to-Business ("B2B") e-commerce transactions during the Covid-19 Movement Control Orders ("MCO") period, which impacted on our B2B customers' business activities.

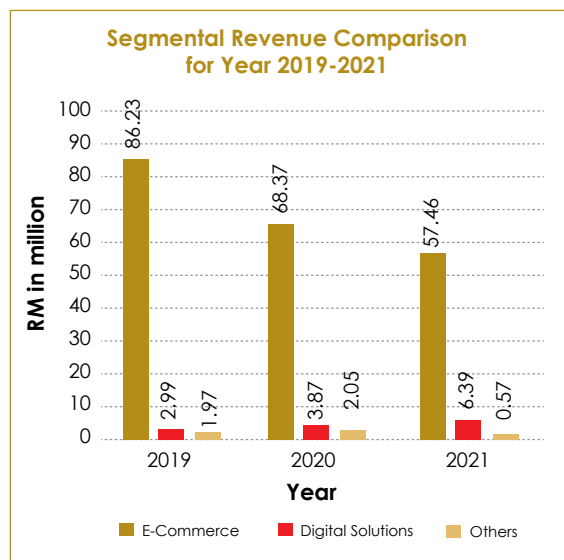
The Group incurred a loss before taxation ("LBT") of RM0.29 million in FYE2021 as compared to a profit before tax ("PBT") of RM0.47 million in FYE2020. The loss was mainly due to the decrease of the revenue from the e-commerce services and additional expenditures incurred for the new video production business. The Group's video production operation was affected due to the restriction and SOP imposed by Ministry of Health ("MOH") upon the activity, thus impacted its revenue in FYE2021.





MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The business operation and financial performance of each business segment of the Group are explained below.



a) Digital Solutions Business

Despite the Covid-19 pandemic, the Group's Digital Solution revenue increased by 65.12% from RM3.87 million (FYE2020) to RM6.39 million (FYE2021).

The Group's digital solutions business is primarily focused in providing digital platform related solutions and services, ranging from the advanced web portal, digital publishing system, interactive mobile applications, social media integration, programmatic advertisement engines, video streaming and big data solutions to 24x7 on-demand system support services.

We have been providing state-of-arts digital platform solutions to a few reputable media partners to grow their digital media businesses together. Our major media partners include China Press, Nanyang Press Holdings, Sinar Harian and Sin Chew Daily. The Group's digital solution revenues are mainly derived from the digital advertising and user subscription fee generated through our collaborative digital platforms.

The digital platform solution also includes the Malaysia's leading industry-wide electronic bank confirmation platform, eConfirm.my. The revenue from eConfirm.my platform was generated from charges of each successful confirmation and increased significantly in FYE2021.

b) E-Commerce Business

Our E-Commerce business division is principally involved in providing Business-to-Consumer ("B2C") and B2B e-commerce platforms through AppAsia e-Marketplace.

The AppAsia B2B platform provides the online sourcing features for the wholesaler or retailers to source for wholesale products locally and globally whereas AppAsia B2C platform provides online store features to promote ours as well as other merchants' products and services to the online consumers.

The revenue from the E-Commerce business decreased by 15.96% from RM68.37 million (FYE2020) to RM57.46 million (FYE2021). The lower B2B business activities and demands during the MCO reduced the B2B transactions and revenues.

c) Other Businesses

The Group is also involved in other businesses, namely the IT Security, IT training and money lending services. The revenue for this segment decreased by 72.20% from RM2.05 million (FYE2020) to RM0.57 million (FYE2021). The lower revenue was due to reduction in IT training and money lending services during the MCO period.

2) IDENTIFIED RISKS AFFECTING GROUP PERFORMANCE

The Group is operating in the IT industry that is constantly evolving and challenging. Frequent changes in technology and consumers' demand require our expertise in creating innovative and sustainable solutions to stay ahead of our competitors, at home and abroad. Besides, the Group is also involved in the finance industry through the moneylending business that may be associated with credit risks.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) IDENTIFIED RISKS AFFECTING GROUP PERFORMANCE (CONT'D)

The identified risks affecting Group performance are:

a) Credit risk

The Group's credit risks primarily comprise trade for the B2B e-commerce services and receivable for the money lending services. Credit risks are managed through credit checks using the services of credit reporting and checking agencies. Credit risks are also minimised through selective interaction and association with creditworthy business partners.

In FYE2021, the Group continues to adopt stringent credit control procedures. Long outstanding trade receivables, considered as high exposures to risk dependency, were monitored on a regular basis.

b) Technology obsolescence risk

Our Group is highly dependent on the IT technology development for future growth and survival as our products and services are based on technological advantages. Technology obsolescence risk shall be significant to the Group if the process, product, or technology used or produced by the Group for profit may become obsolete, and thus no longer competitive in the marketplace. This would significantly reduce the profitability of the Group.

In order to minimise this risk, the Group shall maintain its commitment to invest in research and development to ensure the Group's products and technology remain competitive in the industry.

c) Competition risk

Our long-term success depends largely on how we continue to secure new business and/or customers to minimise our risk of dependency on a handful of major customers. Furthermore, maintaining cordial and long-term customer relationships are essential to ensure the continuity of business.

Notwithstanding our strengths, we continue to face competition from existing and prospective industry players:

i) Competition in Digital Solution Market

The competitions in the digital solution market are typically from major local and foreign applications developers. Some major companies hire their own in-house IT team for the development of their digital solutions.

To overcome this challenge, we ensure our solutions are beneficial and cost effective to our customers and partners. We shall be committed to provide advanced solutions as well as dedicated services. As such, the Group continues to enhance our digital products and services to ensure our leading position in the industry. Our proven track record and customers' success stories provide us with an edge over many competitors.

ii) Competition in the E-Commerce Market

The Covid-19 pandemic has brought about new challenges to the e-commerce market as many retailers have shifted their business online through live sales on social media such as Facebook and Instagram. During the pandemic, many consumers had changed their purchasing pattern by acquiring goods and services online. With low barrier of entry, the emergence of large volume of small local retailers and also foreign retailers have taken a big portion of the market share in the e-commerce industry.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) IDENTIFIED RISKS AFFECTING GROUP PERFORMANCE (CONT'D)

d) Professional liability risk

Our professional services, software and hardware solutions are important to ensure the smooth operations of our businesses. Such solutions may be susceptible to system disruption such as virus attack and software or hardware malfunction. Unless rectified timely, this may cause disruption to our customers' operations and may lead to reputation damage, loss of client or legal claims from our customers. We may also incur additional costs to remedy the problems faced by our customers. Our Group provides our customers with limited services warranty and liability. To mitigate our professional liability risk, we have in place quality control procedures and maintain good business relationship with our partners to secure on-time support services.

3) FACTORS AFFECTING GROUP'S RESULTS

Our Group's financial condition and results of operations are subjected to several key factors set out below:

a) Technological Advancements or Developments

Our Group's competitive edge depends substantially on our ability to anticipate and keep ahead of technological advancements to address our customers' needs.

Information technological advancements are often rapid and volatile. Our R&D team aims to remain "ahead of the curve" by:

- i. continuously enhancing existing technology and applications as part of our continuous improvement efforts in line with market demands; and
- ii. developing new technology for new solutions to keep pace with the latest advancement especially in the 5G networks, A.I., machine learning and big data technologies.

Our Group aims to produce advanced and innovative products within budget and on timely basis, to consolidate our position as a key player in the IT industry.

b) Dependency on Major Contracts

No assurance can be given that the loss of major contracts will not materially affect our Group's business, operating results and financial position. However, our Group will continue to diversify its clients' base to reduce over-reliance on the few major clients.

c) Cybersecurity and System Disruptions

We are principally operating in a highly technology-driven environment, which is susceptible to various cybersecurity and system disruption risks that may impact the Group's revenue, which is further explained in detail in the Sustainability Statement section.

d) Downturn of Other Related Industries

Although the Group is in its effort to diversify its business segments and customers categories across different industries, the economic downturn of other related industries, which our customers or partners are involved in, may indirectly or directly hamper the Group's earnings.

e) Changes on any Acts, Tax, Regulations or Policies

The Group's performance may be affected positively or negatively with any changes to the relevant legal acts, tax regimes, data protection acts, local regulations, industry compliance standards or any other related policies.

f) Impact of Global Crisis

The Group's performance may be affected by the global crisis like the latest COVID-19 outbreak, which caused a global pandemic and economic recession since 2020. Though the COVID-19 pandemic did not impact directly on the Group's operation, they have constituted major social and economic problems that may have a domino effect on all sectors. The management is working its best to put in all necessary plans and measures to avoid a major impact on the Group's operation and performance.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

4) PROSPECTS AND OUTLOOK

The Group remains optimistic on the future growth of the Group's performance in view of the expecting recovery of the economy from the Covid-19 pandemic. The Group shall diligently promote its digital solutions while strategically expanding into other potential markets.

The Group is in the leading position to provide specialised e-media digital solutions by partnering with a few major publishers. The Group had secured a new digital platform contract with a major publisher in FYE2021 and it is expected to further increase the revenue of the Group in this business segment.

Moving forward, the Group shall continue to source for new projects with potential publishers from the overseas market to enhance the Group's position in this sector.

The Group is also confident about the growth of the eConfirm.my platform, which is now the Malaysia's leading industry-wide bank confirmation platform that is in long term exclusive collaboration with Malaysian Institute of Accountants ("MIA"). The volume of the confirmation transactions are expected to increase significantly with the growing participation of auditors and major banks. The transaction volume is also expected to grow as some banks are expected to completely switch to eConfirm.my platform for its bank confirmation processing due to its proven efficiency.

Besides, the Group shall also strategically promote the eConfirm.my to the public sector and other countries after the reopening of international travelling in near future. Thus, the Group believes that eConfirm.my will contribute positively to the Group's revenue in near future.

CORPORATE SUSTAINABILITY STATEMENT

Today's astounding rate of innovation is driven by technology solutions that speed up processing of information. AppAsia Berhad ("**AppAsia**") and its subsidiaries (collectively known as "**the Group**") continue to deliver products that push technological capabilities forward by fast-tracking the business' progress. We are moving swiftly to advance positive influences on the people and the planet, investing in the best talent, reducing the environmental impact of our operations, sourcing product inputs responsibly and sharing our success with our communities. As a company and a corporate citizen, AppAsia is keeping pace with the rapid change and finding more ways to accelerate sustainability and enrich life.

Governance Structure

The Board of Directors ("**Board**") of AppAsia considers economic, environment, social and governance issues such as fraud, corruption and bribery, environment, health and safety, when determining the nature and extent of material risks that AppAsia is willing to take to achieve its business strategies and objectives.

The Board is committed to the highest level of corporate governance and transparency in the execution of policies and processes as these are the fundamental management and operational protocols of AppAsia. This is founded on the belief that good governance is essential in building trust and confidence with stakeholders which ultimately determines the success of the business.

Guided by the Company's core values, AppAsia builds and maintains a strong organisational culture to guide employees in making the right business decisions.

Stakeholders Engagement

Stakeholders, both internal and external, drive our business success. We take measures to understand our local impacts which may affect our operations, products, environment and society.

AppAsia continuously engages with key stakeholders based on their material relationship to our operational success and our potential to affect them through our operations. The following table summarises the forms of our engagement with different stakeholders.

Stakeholders	Forms of Engagement	Frequency	Engagement focus / objectives
Employees	<ul style="list-style-type: none"> Ongoing supervisor interactions Training Meetings hosted by senior leaders 	Ongoing	To create a culture in which all employees contribute to our success
Customers	<ul style="list-style-type: none"> Regular meetings Complaints or feedbacks Customer requirement documents 	Ongoing	To understand how we are performing from our customers' perspectives and build industry consensus on social and environmental issues.
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Quarterly financial reports Announcements to Bursa Malaysia Securities Berhad Annual Reports and Circulars Company's website 	Ongoing	To foster transparency and ensure we are meeting the needs of our shareholders and investors.

We provide latest Group information to our stakeholders through our company's website that also serves as a communication channel with our stakeholders.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

AppAsia's Response to COVID-19 and Flood Victims

As we cautiously worked through challenges arising from the Covid-19 pandemic, all the necessary policies and preventive protocols were put in place throughout our business operations to minimise the risk of exposure to our stakeholders. Keeping our workplace and employees safe remains as one of our top priorities.

In December 2021, the devastating floods around Klang Valley had caused major financial loss and serious emotional distress to many victims, who suffered from damages to their properties and assets. Even after the flood subsided, the victims were still facing difficulties especially under the situation without proper amenities, food and clean water.

In doing our part to help out the victims as much as we could, the Group had provided monetary donations and other necessities through the Student Social Welfare Organization which is a Non-profit Organization that provided assistance to the flood victims.



Economic

The Group conducted a review for the reporting year 2021 and determined that the following three (3) material sustainability matters ("**Material Matters**") remain relevant to AppAsia:

a) Industry Impact and Client Relationship

At a time where customer expectations and the industry competitions are ever growing, the Group strives to cater to customers' different needs and expectations and constantly look for ways to improve the quality of experience for its customers. While maintaining good partnership with our customers, the Group shall be committed to provide high quality digital solutions that are cost-effective and in trend with the latest industry requirements.

b) Intellectual Property and Technology

Intellectual Property ("IP"), or the value of knowledge created, acquired and repositioned for application, is integral to the Group's strategy formulation. It provides us with a competitive edge to achieve success in the dynamic and competitive IT industry.

The Group embrace and leverage technology to enhance our business performance and competitive advantage, and safeguard against potential disruption to the business.

c) Cybersecurity and System Interruption

As a provider of technology services, products and solutions, safeguarding confidential information is paramount in building and maintaining trust with our customers and stakeholders. We conduct our business in compliance with data protection laws and standards such as the Personal Data Protection Act 2010.





CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

c) Cybersecurity and System Interruption (Cont'd)

With the increasing prevalence and complexity of cyber-attacks and personal data theft, AppAsia adopts a holistic and risk-based framework to safeguard confidential information. The Group is guided by policies and standard operating procedures ("SOP") which prescribe measures to securely receive, handle and store confidential information in secure storage facilities. In addition to that, the Group's Information Technology ("IT") department regularly monitors and make improvements to our IT infrastructure, systems and SOPs to safeguard confidential information.

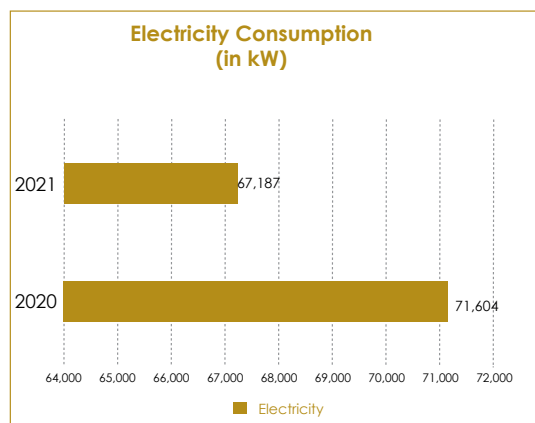
The Group maintains a high standard of IT control and compliance by establishing a clear information and communication technology security policy. In addition, the Group also develops the information security management system (ISMS) framework according to ISO 27001 and other information security management quality standards.

Environmental

The Group believe that the efficient use of resources is essential for sustained economic growth. We have therefore instituted a systematic approach towards integrating practices for resource use efficiency into our operations. We have since implemented energy efficiency initiatives such as reminders for employees to switch off office lights and air conditioners when not in use, thus further reducing unnecessary electricity consumption.

(a) Energy Consumption

In FYE2021, electricity consumption within the Group reduced from 72,000 kW to 67,000 kW mainly due to closure of offices during the Movement Control Order ("MCO").



(b) Carbon Footprint

Being involved in the IT sector, our business operations require certain amount of energy to keep our servers running. In order to compensate emissions generated in the process, we are putting in effort to help the country to reduce greenhouse gases emission and progress into a "paperless" future.

Our industry-wide electronic bank confirmation platform, eConfirm.my, which facilitates the audit process for auditors and banks through electronic confirmations, can significantly reduce postage costs. Without the need to courier confirmation letters between banks and auditors, usage of envelopes and wastage resulting from missing parcels can be greatly reduced. In addition, our e-media digital platforms promote the use of mobile applications to access latest news and thus, lowering the demand for printed newspapers.

We have practice in place to minimise emissions through secured remote access to our clients which requires little to no travelling in case servicing is needed. In return, we hope that our effort can reduce our carbon footprint and thus, contribute in slowing down global warming.

Social

Our people are our key asset in the delivery of our organisational goals. The Group's human capital management policies and practices are guided by its Code of Conduct, and applicable local laws and regulations.

(a) Talent Attraction and Retention

We recognise that attracting and retaining the right talent is key in the continued success of an organisation. To this end, we continue to enhance our recruitment strategy and improve our practices to provide our employees with a conducive work environment.

We are committed to providing equal recruitment and employment opportunities to all employees and candidates. Our policy bans any form of discrimination based on race, colour, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, marital or social status. We believe that our people should be treated fairly, equally and with respect.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Social (Cont'd)

(b) Occupational Health, Safety and Well-being

We believe that good health and safety performance improves employee morale, as well as our organisational reputation. At AppAsia, our safety vision is straightforward – we strive for an incident-free workplace.

To inculcate high standards of occupational safety and health policies, trainings are conducted at all our operational sites. Fire drills and safety training to enhance employees' preparedness during emergencies are also conducted throughout the year. Besides that, we adhere to preventative measures such as upkeep of equipment, usage of personal protection equipment, and elimination of hazards at all our sites.

(c) Workforce Learning and Development

Appropriate training is provided to employees to improve their knowledge and expertise to contribute meaningfully and effectively to the Group's performance. The Group supports the training and development needs of employees. Besides on-the-job exposure, there are many opportunities for job rotation, mentoring and coaching to allow employees to reach their full potential.

(d) Anti-Corruption and Whistleblowing Policies

We uphold a corporate culture of integrity and have a zero-tolerance approach towards fraud and corruption. We are committed to complying with all anti-corruption and anti-bribery laws. On top of instituting our Code of Conduct, we also have several mechanisms in place to mitigate and identify risk and potential corruption violations. We have Anti-Corruption and Whistleblowing Policies to provide employees and third parties with a secure channel to report or raise concerns about possible improprieties, without fear of reprisal in any form. The details regarding the whistleblowing policies and procedures can be viewed on our website at www.appasia.com.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("**the Board**") of AppAsia Berhad ("**AppAsia**") recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") are observed and practised throughout the Company and its subsidiaries (collectively referred to as "**the Group**") so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement is prepared in compliance with ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial year ended 31 December 2021 ("**FYE2021**"), a copy of which is available on the Company's website.

This statement further outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE2021, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

The Board has a formal schedule of matters reserved for deliberation as set out below, to ensure good governance is in place for the Group:

- a) Conflict of interest issues relation to a substantial shareholder or a Director including approving related party transactions
- b) Material acquisition and disposition of assets not in the ordinary course of business including significant capital expenditures
- c) Strategic investments, mergers and acquisitions and corporate exercises
- d) Limits of authority
- e) Treasury policies
- f) Risk management policies
- g) Key human resource issues
- h) Business plans

II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination Committee ("**NC**") takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contribution, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidates' ability to discharge their responsibilities and should bring in their independent judgement, provide constructive challenge, strategic guidance, offer specialist advice and impartiality.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

The Board currently has one (1) female Director, and with the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively. Moving forward, the Board, being in line with the national target of having 30% women on the boards of the listed issuers, will maintain a register of potential directors which include high-calibre female candidates and appoint them when the need arises.

III. REMUNERATION

The Board has in place a Directors' Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee ("RC") is responsible to formulate and review the remuneration policies for the Directors of the Company to ensure the same remain competitive, appropriate and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the RC and subsequently approved by the Board for implementation.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee ("AC") plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The AC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to see to the health, safety and business continuity of the Group.

The AC with the assistance of the Internal Auditor had undertaken a thorough review of the following areas within the Group to ensure that appropriate controls and effective management process are in place:

- Accounts related process
- Human Resources & Administration process
- Moneylending and its compliance process
- Sales process

Annually, the composition of the AC is reviewed by the NC and recommended to the Board for their approval. With the view to maintain an independent and effective AC, the NC ensures that only Independent Non-Executive Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the AC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management are also critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group's sustainability.

II. CONDUCT OF GENERAL MEETINGS

The Group's Annual General Meeting ("AGM") is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Group, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least 28 days before the AGM date and the AGM is conducted through an electronic polling system. The Group will continue to explore and leverage on technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the AGM of the Group.

PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors'

AppAsia Berhad ("**AppAsia**") and its subsidiaries ("**the Group**") acknowledge the pivotal role played by the Board of Directors ("**the Board**") in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

- a) Review and approve the annual corporate plan for the Group, which includes the overall corporate strategy, sustainability strategy, business development and marketing plan, human resources plan, IT plan, financial plan, budget, regulatory plan and risk management plan;
- b) Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances;
- c) Supervise the operation of the Group to evaluate whether established targets are achieved;
- d) Ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility;
- e) Identify principal risks and ensure the implementation of appropriate systems to manage these risks;

- f) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and the senior management, and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- g) Promote better investor relations and shareholder communications;
- h) Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- i) Review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;
- j) Monitor the compliance with legal, regulatory requirements and ethical standards;
- k) Review and approve investment policies and guidelines for the Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;
- l) Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Authority Limits Document;
- m) Establish such committees, policies and procedures to effectively discharge the Board's role responsibilities; and
- n) Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

1. Board of Directors' (Cont'd)

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Nomination Committee ("NC")
- (ii) Remuneration Committee ("RC")
- (iii) Audit Committee ("AC")
- (iv) Share Issuance Scheme ("SIS") Committee

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairman and Executive Directors

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and the Executive Directors of the Company are separately held, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board, Datuk Wira Rahadian Mahmud bin Mohammad Khalil, an Independent Non-Executive Chairman, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The roles and responsibilities of the Chairman's key responsibility, amongst others, includes the following:

- a) Leadership of the Board;
- b) Overseeing the effective discharge of the Board's supervisory role;
- c) Facilitating the effective contribution of all Directors;
- d) Conducting the Board's function and meetings;
- e) Briefing all Directors in relation to issues arising at meetings;
- f) Scheduling regular and effective evaluations of the Board's performance; and
- g) Promoting constructive and respectful relations between Board members and between the Board and the Management.

The Executive Directors, namely Toh Hong Chye, Wong Ngai Peow and Yong Mai Fang, oversee the day-to-day operations to ensure the smooth and effective running of the Group. The Executive Directors implement the policies, strategies, decisions adopted by the Board, monitor the operating financial results against plans and budgets and act as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

2. Separation of position of the Chairman and Executive Directors (Cont'd)

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilization of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board would meet at least five (5) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Company Secretary and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

The Board met five (5) times during the financial year ended 31 December 2021 ("FYE2021"). The attendance of each Director at the Board Meetings held during FYE2021 are as follow:

Directors	Number of meetings attended	%
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	4/5	80%
Toh Hong Chye	5/5	100%
Wong Ngai Peow	5/5	100%
Yong Mai Fang	5/5	100%
Tiew Chee Ming	5/5	100%
Datuk Justin Lim Hwa Tat ^[1]	1/2	50%
Datuk Low Kim Leng ^[2]	3/3	100%

Notes:

^[1] Appointed as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 9 August 2021

^[2] Resigned as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 5 August 2021

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") allow a Director to sit on the board of a maximum of five (5) listed issuers. At present, all Directors of the Company have complied with the AMLR of Bursa Securities where they do not sit on the board of more than five (5) listed issuers.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The list of training programmes attended by the Directors during the FYE2021 under review are as follows:

- Avoiding Transfer Pricing Mistakes
- Blockchain And Virtual Currency Implication Of Tax
- Can You Survive a Transfer Pricing Audit
- Capital Statement: Are You On IRB's Radar
- Demystifying The Fast-Changing World Of Digital Currencies Program
- Impact of Financial Reporting on Taxation
- Leadership & Management: Digital Transformation Executive Program
- Valuation Of Early And Growth Stage Tech Companies

The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

AC

The AC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The AC maintains direct, unfettered access to the Company's External Auditor, Internal Auditor and management.

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the AC are as follows:

Director	Designation
Tiew Chee Ming	Chairman
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	Member
Datuk Justin Lim Hwa Tat ^[1]	Member
Datuk Low Kim Leng ^[2]	Member

Notes:

^[1] Appointed as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 9 August 2021

^[2] Resigned as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 5 August 2021

A copy of the AC's Terms of Reference can be found in the Company's website at www.appasia.com.

NC

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the NC are as follows:

Director	Designation
Datuk Justin Lim Hwa Tat ^[1]	Chairman
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	Member
Tiew Chee Ming	Member
Datuk Low Kim Leng ^[2]	Chairman

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

NC (Cont'd)

Notes:

^[1] Appointed as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 9 August 2021

^[2] Resigned as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 5 August 2021

During the FYE2021, the NC held one (1) meeting. Below are the summary of the key activities undertaken by the NC in discharge of its duty:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy;
- (b) Determined the Directors who stand for re-election and re-appointment by rotation;
- (c) Assessed the effectiveness and performance of the Board as a whole and the contribution of each individual Director. This was carried out through a self-assessment document that was completed by each Director. The assessment criteria include the following:
 - Board composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of Directors
- (d) Reviewed the terms of office of the AC and each member of the AC to ascertain that the AC and its member have carried out their duties in accordance with the AC's Terms of Reference; and
- (e) Assessed and reviewed the independence and continuing independence of the Independent Directors.

A copy of the NC's Terms of Reference is available at the Company's website at www.appasia.com.

RC

The RC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and Senior Management.

The RC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the RC are as follows:

Director	Designation
Datuk Justin Lim Hwa Tat ^[1]	Chairman
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	Member
Tiew Chee Ming	Member
Datuk Low Kim Leng ^[2]	Chairman

Notes:

^[1] Appointed as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 9 August 2021

^[2] Resigned as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and Member of the Audit Committee of the Company with effect from 5 August 2021

During the FYE2021, the RC held one (1) meeting and all member registered full attendance. Below are the summary of the key activities undertaken by the RC in discharge of its duty:

- (a) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management;
- (b) Reviewed the Directors' fees and other benefits payable to Non-Executive Directors;
- (c) Reviewed the Terms of Reference of the RC
- (d) Reviewed the Directors and Senior Management Remuneration Policy.

A copy of the RC's Terms of Reference can be found in the Company's website at www.appasia.com.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

SIS Option Committee

The SIS Option Committee was established on 12 March 2015. The SIS Option Committee is primarily responsible for administering the Company's SIS Option in accordance with the approved SIS By-Laws and regulations. The present members of the SIS Option Committee are as follows:

Officer	Designation
Toh Hong Chye	Chairman
Wong Ngai Peow	Member
Yong Mai Fang	Member

The SIS Option Committee meets as and when required. No meeting was held during the financial year. Approval on matter requiring the sanction of the SIS Option Committee was sought by way of written resolution.

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, the Chairman, the Executive Directors and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (c) Strategic investments, mergers and acquisitions and corporate exercises;

- (d) Authority levels;
- (e) Treasury policies;
- (f) Risk management policies; and
- (g) Key human resource issues.

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at www.appasia.com.

8. Code of Conduct and Code of Ethics

The Company has established a Code of Conduct and Code of Ethics which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Ethics is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Where else the Code of Conduct is based on the principles in relation to integrity, transparency, accountability and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.

The Board is provided guidance through the Code of Conduct and Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

8. Code of Conduct and Code of Ethics (Cont'd)

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the AMLR.

Details of the Code of Conduct and Code of Ethics can be found in the Company's website at www.appasia.com.

9. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Chairman of the Board or the members of the AC.

Full details of the Whistleblowing Policy can be found on the Company's website at www.appasia.com.

10. Company Secretary

The Board is assisted by a qualified and competent Company Secretary who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretary for the purpose of the conduct of the Board's affairs and the business.

The Company Secretary constantly keep himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretary and Administrators for practising company secretary. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging its functions.

In addition, the Company Secretary is also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

1. Composition and Diversity (Cont'd)

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, and three (3) Executive Directors, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of twelve (12) years. As part of good governance practices, the Board Charter of the Company limits the tenure of Independent Directors to a cumulative term of twelve (12) years. Nonetheless, the Board would justify and seek annual shareholders' approval to retain the Independent Directors after the ninth (9th) year through a two-tier voting process.

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("AGM").

4. Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions. As at the date of this report, there are three female employees involved in the Board and Senior Management, collectively.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

5. Identifying Suitable Candidates

Any proposed appointment of a new Member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NC on the necessity for reviewing the qualifications and experience of the proposed director. The NC would be guided by an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

During the financial year ended 31 December 2021, the Company had appointed Datuk Justin Lim Hwa Tat, via the recommendation by the management. Despite the recommendation was made by the management, the Board had also utilised independent sources when identifying suitable candidates. Ultimately, the NC, being the responsible for assessing the suitability of the above mentioned Director for appointment, opined that the nominated Director is of suitable calibre and have the necessary knowledge, experience, diverse range of skills, competence and independency to enable him to discharge his duties and responsibilities effectively.

6. Chairman of the NC

The NC is led by Datuk Justin Lim Hwa Tat, the Independent Non-Executive Director, who directs the NC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include a mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contributions of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the Nomination Committee for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the AC or NC receiving a higher fee in respect of his service as Chairman of the respective Committees. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the RC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the

RC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2021 are set out in the Corporate Governance Report. While the details of the remuneration of the senior management on an aggregate basis in bands of RM50,000 are as set out below.

Remuneration Bands	Number of Senior Management
RM100,001 – RM150,000	1
RM150,001 – RM200,000	2 #

One of them is a Director of the Subsidiary Company

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

Presently, the AC consists of three (3) Independent Non-Executive Directors and all of them are financially literate and have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the AC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC. For the FYE2021, no former key audit partner of the Company's Auditors is appointed as a member of AC.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. AC (Cont'd)

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the External Auditors. Through the AC, the Board maintains a transparent relationship with the External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the External Auditors to highlight any issues of concern at any point in time.

The External Auditors is recommended to meet the AC without the presence of the executive Board members and Management on regular basis pertaining on matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board. For the FYE2021, External Auditors met the AC twice without the presence of the executive Board members and Management.

The AC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For the FYE2021, fees paid to the External Auditors, Messrs TGW TW PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Audit services rendered	66,000	22,000
Non-Audit services rendered	3,000	3,000

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the AC may be found in the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks, where possible to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the AC. This covers all material controls including financial, operational, compliance and risk management systems. The AC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Risk Management and Internal Control Framework (Cont'd)

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FYE2021 was Messrs S F Chang Corporate Services Sdn. Bhd., which reported directly to the AC as specified in the Terms of Reference of the AC. The Internal Auditor carries out its function in accordance with the approved annual Internal Audit Plan approved by the AC. Messrs S F Chang Corporate Services Sdn. Bhd. has approximately three (3) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	Chang Siew Foong
Qualification	C.A.(M), FCCA, ACTIM
Independence	Does not have any family relationship with any of the director and/or major shareholder of the Company
Public Sanction or penalty	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

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

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the disclosure requirements as stipulated in the AMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the financial year under review. The Board also encourages participation from shareholders by having "question and answers" session during the AGM where the Directors (inclusive of the Chairman of the AC, NC and RC) are available to provide meaningful response to questions raised by the shareholders.

In line with the AMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.



AUDIT COMMITTEE'S REPORT

OBJECTIVE

The Audit Committee ("AC") was established with the primary objective of assisting the Board in the areas of corporate governance, system of internal control, risk management, and management and financial reporting practices of the Group.

COMPOSITION MEETING ATTENDANCE

The present AC members comprise of three (3) members, all of whom are Independent Non-Executive Directors.

During the financial year ended 31 December 2021 ("FYE2021"), the AC held five (5) meetings and the records of the attendance of AC members are as follow:

Directors	Designation	Number of meetings attended	%
Tiew Chee Ming ^[1]	Chairman	5/5	100%
Datuk Justin Lim Hwa Tat ^[2]	Member	1/2	50%
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	Member	4/5	80%
Datuk Low Kim Leng ^[3]	Member	3/3	100%

Notes:

^[1] Member of the Malaysian Institute of Accountants

^[2] Appointed as a Member of the Audit Committee of the Company with effect from 9 August 2021

^[3] Resigned as a Member of the Audit Committee of the Company with effect from 5 August 2021

TERMS OF REFERENCE

The scope of duties and responsibilities of the AC stated in the Terms of Reference ("TOR") is made available on the Company's website, www.appasia.com. The Board has reviewed and assessed the performance of the AC and is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its TOR.

SUMMARY ACTIVITIES

The activities of the AC during the FYE2021, include the following:

- Reviewed the unaudited quarterly results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad ("**Bursa Securities**");
- Reviewed with External Auditors on their Audit Planning Memorandum for the FYE2021;
- Reviewed the Audited Financial Statements of the Group for the FYE2021 before recommending to the Board for approval and release of the results to Bursa Securities;
- Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;
- Evaluated the performance of the External Auditors for the FYE2021 covering areas such as caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the External Auditors;
- Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;
- Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- Reviewed and approved on the Internal Audit Planning Memorandum for the FYE2021 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;

AUDIT COMMITTEE'S REPORT (CONT'D)

SUMMARY ACTIVITIES (CONT'D)

- j) Reviewed the effectiveness of the Group's system of internal control;
- k) Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;
- l) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;
- m) Reviewed the Company's compliance with the ACE Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- n) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and
- o) Reported to the Board on its activities and significant findings and results.
- p) Reviewed and verified the allocation of share issuance scheme (SIS) options in accordance with the ACE Market Listing Requirements.

During the FYE2021, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

- (i) The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the AC;
- (ii) Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- (iii) Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- (iv) Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and
- (v) Reports issued by the internal audit function were tabled at AC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by AC members pertaining to matters raised.

INTERNAL AUDIT FUNCTIONS

The Group has appointed an established external professional Internal Audit firm, which reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AC.

The AC approves the Internal Audit Planning Memorandum during the first AC meeting each year. Any subsequent changes to the Internal Audit plan are approved by the AC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

The AC and the Board agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**").

RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system, and ensuring its adequacy and effectiveness.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management are designed to manage rather than eliminate all the risks that may impede the achievement of the Group's business objectives, and as such, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board through its Audit Committee ("**AC**") has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the AC on a periodic basis.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

RISK MANAGEMENT FRAMEWORK

Risk management is firmly embedded in the Group's management system as the Board firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Periodic management meetings which are attended by the Department Heads and key management staff are held to:

- communicate the vision, roles and direction of the Group and priorities to all the employees and key stakeholders;
- identify, assess and evaluate the key risks of the Group that affect its goals and objectives for the year under review; and
- propose the appropriate mitigating controls and the significant risks that affect the Group's strategic and business plans, if any, to the Board at their scheduled meetings.

The key management staff meets regularly to review the risks faced by the Group and ensure that the existing mitigation actions are adequate. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group's business objectives.

INTERNAL CONTROL SYSTEM

The key elements of the internal control system that provide effective governance and oversight of internal control are described as follow:

- (i) A well-defined organisational structure with clear lines of accountability and responsibilities provide a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.
- (ii) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.

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

INTERNAL CONTROL SYSTEM (CONT'D)

- (iii) The Board and AC meet at least once on a quarterly basis to review and deliberate on the unaudited quarterly financial reports, annual financial statements, internal audit reports and etc. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified.
- (iv) Internal policies and procedures had been established for key business units within the Group.

INTERNAL AUDIT FUNCTION

The Group had appointed an independent professional firm, S F Chang Corporate Services Sdn. Bhd. ("SFC") to assist the Board and AC in performing regular and systematic review and provide independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system. SFC is free from any relationship or conflict of interest, which may impair their objectivity and independence of the internal audit function.

The total costs incurred in respect of the outsourced of internal audit functions for the financial year ended 31 December 2021 ("FYE2021") was RM22,500.

During the FYE2021, internal audit visits were carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the AC.

In addition, follow up review will be conducted to ensure that corrective actions have been implemented on a timely manner. Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system of the Group currently in place is adequate and effective to safeguard the Group's interests and assets.

In addition, the Board has received reasonable assurance from the Executive Directors that the Group's risk management and internal control system are adequate and operate effectively, in all material respects.

The Board will continue to assess and monitor the adequacy and effectiveness of the risk management and internal control system of the Group and to strengthen it, as and when necessary.

This statement is made in accordance with a resolution of the Board of Directors dated 25 March 2022.



ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year ending 31 December 2021 ("FYE2021").

SHARE ISSUANCE SCHEME ("SIS")

The SIS of the Company is governed by the SIS By-Laws and was approved by shareholders on 15 November 2014. The SIS option granted may be exercised any time upon the satisfaction of vesting conditions of each offer. The SIS is in force for a period of five (5) years effective from 13 March 2015 which is expiring on 12 March 2020, has been extended for another five (5) years to 12 March 2025 in accordance with the terms of the SIS By-Laws.

The Company has completed the Share Split pursuant to the Share Split on the ACE Market of Bursa Malaysia Securities Berhad on 5 July 2021.

A brief detail on the number of SIS options granted, exercised, forfeited and outstanding since commencement to 31 December 2021 is set out in the table below:

Description	Number of Options	
	Grand Total	Directors and Chief Executives
Granted	210,000,000	112,950,000
Exercised	105,930,000	75,600,000
Forfeited	79,170,000	12,450,000
Outstanding	24,900,000	24,900,000

Notes:

1. The enlarged number of options over ordinary shares arise from the completion of the Share Split Exercise on 5 July 2021.
2. None of the options granted has any vesting period.

The percentages of options applicable to Directors and Senior Management under the SIS during the financial year and since its commencement up to 31 December 2021 are set out below:

Directors and Senior Management	Percentage	
	During the financial year	Since commencement up to 31 December 2021
Aggregate maximum allocation	-	80%
Actual options granted	-	33%

The details of the options offered to and exercised by the non-executive directors of the Company pursuant to the SIS in respect of the financial year are as follows:

Name	Number of Options	
	Number of Options Granted	Number of Options Exercised
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	4,500,000	4,500,000
Datuk Justin Lim Hwa Tat	-	-
Tiew Chee Ming	-	-

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during FYE2021 involving the interests of the Directors and major shareholders.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during FYE2021 involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

At the Seventeenth Annual General Meeting of the Company held on 18 June 2021, the Company obtained a mandate from its shareholders for recurrent related party transactions ("RRPT") of a revenue or trading in nature with related parties.

The details of RRPTs conducted during the FYE2021 pursuant to the shareholders' mandate are set out below:

AppAsia and/or its subsidiaries	Transacting Parties	Nature of Transactions	Aggregate value of transactions from 1.1.2021 to 31.12.2021 (RM)
AppAsia Group	Richmond Virginia Tobacco Sdn. Bhd.	Renting of office premises	208,350



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the company's business and that of the group;
- identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- reviewing the adequacy and integrity of internal controls system and management information system in the company and within the group;
- adopting suitable accounting policies and apply them consistently;
- making judgements and estimates that are reasonable and prudent; and
- ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2021, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal Activities

The principal activities of the Company consist of provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

Financial Results

	Group RM	Company RM
Loss for the financial year	(466,784)	(293,460)
Attributable to:		
Owners of the Company	(320,250)	(293,460)
Non-controlling interests	(146,534)	-
	(466,784)	(293,460)

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company issued:

Prior to the share split

- (a) 6,628,400 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.13 per ordinary share; and
- (b) On 5 July 2021, the Company undertook a share split involving the subdivision of every 1 existing ordinary shares into 3 ordinary shares involving the issuance of 739,500,400 additional shares and listing of up to 224,620,000 additional warrants arising from the adjustment to the number of outstanding warrants in accordance with the provision of Deed Poll.



DIRECTORS' REPORT (CONT'D)

Issue of Shares and Debentures (Cont'd)

After share split

- (c) 13,806,700 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.04 per ordinary share; and
- (d) 60 new ordinary shares pursuant to the conversion of Warrants 2021/2024 at the exercise price of RM0.135 per ordinary shares; and
- (e) 4,500,000 new ordinary shares at a weighted average exercise price of RM0.061 per ordinary share for total consideration of RM274,500 from the exercise of employees' share options.

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

There was no issuance of debentures during the financial year.

Treasury Shares

During the financial year, the Company repurchased 9,877,100 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.62 per share. The total consideration paid for the repurchase was RM6,182,282. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act 2016.

Prior to the share split, the Company held 15,247,500 treasury shares and subsequently to the share split, as of 31 December 2021, the Company held 45,742,500 treasury shares out of the total 1,127,557,360 issued ordinary shares. Further relevant details are disclosed in Note 15 to the financial statements.

Warrant Reserve

Warrant A

The Warrants 2014/2024 (Warrants A) were constituted under the Deed Poll dated 19 November 2014 as disclosed in the Note 16(a) to the financial statements.

On 18 June 2021, the shareholders of the Company had approved the adjustment to the exercise price and number of outstanding of the Warrants 2014/2024 pursuant to the subdivision of every 1 existing ordinary share in the Company into 3 ordinary shares in the Company. Additional warrants of 224,620,000 were listed and quoted on the ACE Market of Bursa Securities on 5 July 2021.

As at 31 December 2021, the total number of Warrants A that remain unexercised were 323,123,300.

Warrant B

The Warrants 2021/2024 (Warrant B) were constituted under the Deed Poll dated 18 June 2021 as disclosed in the Note 16(a) to the financial statements.

On 13 July 2021, the Company listed and quoted 106,920,802 warrants in conjunction with the Bonus Issue of free warrants on the basis of one (1) warrant for every ten (10) existing shares.

As at 31 December 2021, the total numbers of Warrants B that remain unexercised were 106,920,742.

DIRECTORS' REPORT (CONT'D)

Options Granted Over Unissued Shares

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

At the Extraordinary General Meeting held on 15 November 2014, the Company's shareholders approved the establishment of SIS of not more than 30% of the issued and paid-up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group. The salient features and other terms of the SIS are disclosed in the Note 28 to the financial statements.

On 18 June 2021, the shareholders of the Company had approved the adjustment to the exercise price from RM0.183 to RM0.061 per share and number of outstanding of the SIS increased from 9,800,000 to 29,400,000 pursuant to the subdivision of every 1 existing ordinary share in the Company into 3 ordinary shares in the Company.

As at 31 December 2021, the options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Exercise price (RM)	Number of options over ordinary shares			
		At 1.1.2021	Share adjustment	Exercised	At 31.12.2021
24 March 2015	0.061	9,800,000	19,600,000	(4,500,000)	24,900,000

Directors

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

Datuk Wira Rahadian Mahmud Bin Mohammad Khalil

Toh Hong Chye*

Wong Ngai Peow*

Yong Mai Fang*

Tiew Chee Ming*

Datuk Justin Lim Hwa Tat (Appointed on 9 August 2021)

Datuk Low Kim Leng* (Resigned on 5 August 2021)

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

Kua Kok Keong (Resigned on 9 March 2021)

Yong Kin Sheng

* Director of the Company and its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.



DIRECTORS' REPORT (CONT'D)

Directors' Interests in Shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	At 1.1.2021	Share split adjustment	Number of ordinary shares		At 31.12.2021
			Acquired	Sold	
Interests in the Company					
Direct interests					
Toh Hong Chye	46,901,300	93,802,600	19,184,400	-	159,888,300
Wong Ngai Peow	3,404,500	6,809,000	-	-	10,213,500
Yong Mai Fang	7,100,000	14,200,000	-	-	21,300,000
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	-	-	4,500,000	-	4,500,000

Indirect interests					
Toh Hong Chye #	42,000,000	84,000,000	-	-	126,000,000
Yong Mai Fang #	42,000,000	84,000,000	-	-	126,000,000

	At 1.1.2021	Share split adjustment	Number of Warrants A		At 31.12.2021
			Acquired	Sold	
Interests in the Company					
Direct interests					
Toh Hong Chye	4,250,000	8,500,000	-	-	12,750,000

	At 1.1.2021	Share split adjustment	Number of Warrants B		At 31.12.2021
			Acquired	Sold	
Interests in the Company					
Direct interests					
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	-	-	450,000	-	450,000
Toh Hong Chye	-	-	14,070,390	(14,070,390)	-
Yong Mai Fang	-	-	2,130,000	(2,130,000)	-
Wong Ngai Peow	-	-	1,021,350	(1,021,350)	-
Toh Hong Chye #	-	-	126,000,000	(126,000,000)	-
Yong Mai Fang #	-	-	126,000,000	(126,000,000)	-

	At 1.1.2021	Share split adjustment	Number of options over ordinary shares		At 31.12.2021
			Granted/ Vested	Exercised	
Interests in the Company					
Direct interests					
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	1,500,000	3,000,000	-	(4,500,000)	-
Toh Hong Chye	8,300,000	16,600,000	-	-	24,900,000

Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his/her substantial shareholdings in Richmond Virginia Tobacco Sdn. Bhd.

DIRECTORS' REPORT (CONT'D)

Directors' Interests in Shares (Cont'd)

By virtue of their interests in the shares of the Company, Toh Hong Chye is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 29(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 29(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the issue of Warrants and SIS.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM2,000,000 and RM15,000 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that 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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



DIRECTORS' REPORT (CONT'D)

Other Statutory Information (Cont'd)

(c) 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 of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except for the effects of COVID-19 pandemic or as disclosed in Note 33 to the financial statements; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Auditors

The Auditors, Messrs. TGS TW PLT(202106000004(LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 22 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 March 2022.

TOH HONG CHYE

WONG NGAI PEOW

KUALA LUMPUR

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 54 to 124 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 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 March 2022.

TOH HONG CHYE

WONG NGAI PEOW

KUALA LUMPUR

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

I, TOH HONG CHYE (MIA 17804), being the Director primarily responsible for the financial management of AppAsia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 54 to 124 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 25 March 2022.)

TOH HONG CHYE

Before me,

COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AppAsia Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 124.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>The Group's trade receivables amounting to RM9.9 million, representing approximately 33% of the Group's total assets as at 31 December 2021.</p> <p>The assessment of recoverability of receivables involved significant judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and expected credit loss, which include consideration of the current economic and impact of COVID-19 pandemic.</p> <p>We tested the accuracy and completeness of the data used by the management.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
Recoverability of trade receivables (Cont'd)	<p>We reviewed the adequacy of the amount of expected credit loss and inquired the management regarding the recoverability of a sample of trade receivables that are past due but not impaired accounts and review of customers' correspondence.</p> <p>We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

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

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

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 December 2020, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those statements on 5 April 2021.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT

202106000004 (LLP0026851-LCA) & AF 002345
Chartered Accountants

LIM GE RU

03360/03/2024 J
Chartered Accountant

KUALA LUMPUR
25 March 2022



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

			Group		Company
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	543,609	506,644	172,207	254,929
Investment properties	5	2,202,167	2,252,167	2,202,167	2,252,167
Right-of-use assets	6	65,663	181,223	-	76,164
Intangible assets	7	2,085,832	2,830,748	-	-
Investment in subsidiary companies	8	-	-	16,318,670	16,284,370
Trade receivables	9	347,473	784,143	-	-
		5,244,744	6,554,925	18,693,044	18,867,630
Current assets					
Inventories	10	-	64,532	-	-
Trade receivables	9	9,588,817	11,093,412	3,000	-
Other receivables	11	5,981,727	2,194,334	100,146	107,437
Amount due from subsidiary companies	12	-	-	8,185,171	4,780,071
Tax recoverable		57,924	295,201	-	3,943
Cash and bank balances	13	9,164,461	14,408,900	2,094,576	10,106,223
		24,792,929	28,056,379	10,382,893	14,997,674
Total assets		30,037,673	34,611,304	29,075,937	33,865,304
EQUITY					
Share capital	14	30,727,871	28,926,952	30,727,871	28,926,952
Treasury shares	15	(7,173,700)	(991,418)	(7,173,700)	(991,418)
Reserves	16	560,111	988,811	5,434,936	5,836,846
Equity attributable to owners of the Company		24,114,282	28,924,345	28,989,107	33,772,380
Non-controlling interests		(201,704)	(69,870)	-	-
Total equity		23,912,578	28,854,475	28,989,107	33,772,380
LIABILITIES					
Non-current liability					
Lease liabilities	17	27,564	67,492	-	-
Current liabilities					
Trade payables	18	53,648	626,048	-	-
Other payables	19	5,961,042	5,004,197	86,417	81,051
Lease liabilities	17	39,928	50,162	-	11,873
Tax payable		42,913	8,930	413	-
		6,097,531	5,689,337	86,830	92,924
Total liabilities		6,125,095	5,756,829	86,830	92,924
Total equity and liabilities		30,037,673	34,611,304	29,075,937	33,865,304

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	20	64,515,223	74,336,954	1,606,639	1,605,157
Cost of sales		(59,222,224)	(68,767,556)	(7,200)	-
Gross profit		5,292,999	5,569,398	1,599,439	1,605,157
Other income		209,109	146,353	28,417	164,206
Administrative expenses		(5,783,602)	(5,237,144)	(1,898,837)	(1,826,077)
Net(loss)/gain on impairment of financial assets		(5,020)	(3,194)	-	125,018
(Loss)/Profit from operation		(286,514)	475,413	(270,981)	68,304
Finance cost	21	(7,706)	(3,008)	(123)	(1,418)
(Loss)/Profit before tax	22	(294,220)	472,405	(271,104)	66,886
Taxation	23	(172,564)	136,289	(22,356)	9,365
(Loss)/Profit for the financial year, representing total comprehensive(loss)/ income for the financial year		(466,784)	608,694	(293,460)	76,251
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income attributable to:					
Owners of the Company		(320,250)	678,864	(293,460)	76,251
Non-controlling interests		(146,534)	(70,170)	-	-
		(466,784)	608,694	(293,460)	76,251
(Loss)/Earnings per share(sen)					
Basic (loss)/earnings per share	24(a)	(0.03)	0.07		
Diluted (loss)/earnings per share	24(b)	(0.02)	0.05		

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



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

	Attributable to the Owners of the Parent							
	Non-Distributable				Share Issuance Scheme Option Reserve			
	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	(Accumulated Losses)/ Retained earnings RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Group								
At 1 January 2021	28,926,952	(991,418)	17,959,698	(17,959,698)	280,271	28,924,345	(69,870)	28,854,475
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(320,250)	(320,250)	(146,534)	(466,784)
Transactions with owners:								
Capital contribution from non-controlling interests	-	-	-	-	-	-	14,700	14,700
Exercise of SIS options	382,950	-	-	-	(108,450)	274,500	-	274,500
Conversion of Warrants	1,417,969	-	(1,695,139)	1,695,139	-	1,417,969	-	1,417,969
Shares repurchased	-	(6,182,282)	-	-	-	(6,182,282)	-	(6,182,282)
Total transactions with owners	1,800,919	(6,182,282)	(1,695,139)	1,695,139	-	(4,489,813)	14,700	(4,475,113)
At 31 December 2021	30,727,871	(7,173,700)	16,264,559	(16,264,559)	(39,979)	24,114,282	(201,704)	23,912,578

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

		Attributable to the Owners of the Parent							
		Non-Distributable							
Group	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	(Accumulated Losses)/ Retained earnings RM	Non-Controlling Interest RM	Total Equity RM
At 1 January 2020		26,463,256	(317,120)	20,489,250	(20,489,250)	789,516	(398,593)	-	26,537,059
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year									
		-	-	-	-	-	678,864	(70,170)	608,694
Transactions with owners:									
Capital contribution from non-controlling interests		-	-	-	-	-	-	300	300
Exercise of SIS options	14	285,936	-	-	-	(80,976)	-	-	204,960
Conversion of Warrants	14	2,177,760	-	(2,529,552)	2,529,552	-	-	-	2,177,760
Shares repurchased	15	-	(674,298)	-	-	-	-	-	(674,298)
Total transactions with owners									
		2,463,696	(674,298)	(2,529,552)	2,529,552	(80,976)	-	300	1,708,722
At 31 December 2020		28,926,952	(991,418)	17,959,698	(17,959,698)	708,540	280,271	(69,870)	28,854,475



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Company	Note	Attributable to the Owners of the Parent						Retained Earnings RM	Total Equity RM
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM			
At 1 January 2021		28,926,952	(991,418)	17,959,698	(17,959,698)	708,540	5,128,306	33,772,380	
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(293,460)	(293,460)	
Transactions with owners:									
Exercise of SIS options	14	382,950	-	-	-	(108,450)	-	274,500	
Conversion of Warrants	14	1,417,969	-	(1,695,139)	1,695,139	-	-	1,417,969	
Shares repurchased	15	-	(6,182,282)	-	-	-	-	(6,182,282)	
Total transactions with owners		1,800,919	(6,182,282)	(1,695,139)	1,695,139	(108,450)	-	(4,489,813)	
At 31 December 2021		30,727,871	(7,173,700)	16,264,559	(16,264,559)	600,090	4,834,846	28,989,107	

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Company	Note	Attributable to the Owners of the Parent						Total Equity RM
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings RM	
At 1 January 2020		26,463,256	(317,120)	20,489,250	(20,489,250)	789,516	5,052,055	31,987,707
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	76,251	76,251
Transactions with owners:								
Exercise of SIS options	14	285,936	-	-	-	(80,976)	-	204,960
Conversion of Warrants	14	2,177,760	-	(2,529,552)	2,529,552	-	-	2,177,760
Shares repurchased	15	-	(674,298)	-	-	-	-	(674,298)
Total transactions with owners		2,463,696	(674,298)	(2,529,552)	2,529,552	(80,976)	-	1,708,422
At 31 December 2020		28,926,952	(991,418)	17,959,698	(17,959,698)	708,540	5,128,306	33,772,380

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



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

Note	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities				
(Loss)/Profit before tax	(294,220)	472,405	(271,104)	66,886
Adjustments for:				
Amortisation of intangible assets	996,689	982,856	-	-
Depreciation of:				
- investment properties	50,000	50,000	50,000	50,000
- property, plant and equipment	233,867	237,485	82,721	115,765
- right-of-use assets	181,968	45,773	24,482	32,641
Impairment/(Reversal of impairment) losses on:				
- amount due from subsidiary companies	-	-	-	(125,018)
- trade receivables	5,020	1,993	-	-
- other receivables	-	1,201	-	-
Interest expenses	7,706	3,008	123	1,418
Inventories written down	-	66,162	-	-
Inventories written off	33,027	-	-	-
Property, plant and equipment written off	-	4	-	3
Gain on disposal of:				
- property, plant and equipment	(99)	(2,392)	(99)	(1,193)
- right-of-use assets	(28,318)	-	(28,318)	-
Unrealised loss/(gain) on foreign exchange	119	(347)	-	-
Interest income	(161,668)	(61,768)	(32,239)	-
Operating profit/(loss) before working capital changes	1,024,091	1,796,380	(174,434)	140,502
Change in working capital:				
Inventories	31,505	24,616	-	-
Receivables	(1,851,148)	527,787	4,291	(2,814)
Payables	384,445	809,842	5,366	18,650
	(1,435,198)	1,362,245	9,657	15,836
Cash (used in)/generated from operations	(411,107)	3,158,625	(164,777)	156,338
Interest paid	(7,706)	(3,008)	(123)	(1,418)
Interest received	161,668	61,768	32,239	-
Tax paid	(162,359)	(96,133)	(18,000)	(16,778)
Tax refund	261,055	-	-	-
Net cash (used in)/from operating activities	(158,449)	3,121,252	(150,661)	138,142

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

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Cash flows from investing activities					
Acquisition of investment in a subsidiary company		-	-	(34,300)	(1,600,700)
Additions to development expenditures		(251,773)	(974,522)	-	-
Net cash inflows arising from incorporation of subsidiary company with non-controlling interests		-	300	-	-
Net cash inflows arising from additional capital contribution from non-controlling interests		14,700	-	-	-
Repayment from subsidiary companies		-	-	-	9,293,178
Purchase of property, plant and equipment		(270,833)	(228,751)	-	(63,568)
Proceeds from disposal of property, plant and equipment		100	2,400	100	1,200
Proceeds from disposal of right-of-use asset		80,000	-	80,000	-
Net cash (used in)/from investing activities		(427,806)	(1,200,573)	45,800	7,630,110
Cash flows from financing activities					
Advance to subsidiary companies		-	-	(3,405,100)	(1,229,312)
Proceeds from exercise of SIS options		274,500	204,960	274,500	204,960
Proceeds from conversion of warrants		1,417,969	2,177,760	1,417,969	2,177,760
Payment of lease liabilities		(168,252)	(46,939)	(11,873)	(34,529)
Purchase of treasury shares		(6,182,282)	(674,298)	(6,182,282)	(674,298)
Net cash (used in)/from financing activities		(4,658,065)	1,661,483	(7,906,786)	444,581
Net (decrease)/increase in cash and cash equivalents		(5,244,320)	3,582,162	(8,011,647)	8,212,833
Effect of exchange translation differences on cash and cash equivalents		(119)	347	-	-
Cash and cash equivalents at the beginning of the financial year		14,408,900	10,826,391	10,106,223	1,893,390
Cash and cash equivalents at the end of the financial year		9,164,461	14,408,900	2,094,576	10,106,223
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		9,164,461	14,408,900	2,094,576	10,106,223

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



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. Corporate Information

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

The registered office of the Company is located at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

The principal place of business of the Company is at 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

The principal activities of the Company consist of provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 8. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Covid-19 - Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform -Phase 2

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standard issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to Illustrative Examples accompanying MFRS 16		
• Amendments to MFRS 141		
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 108	Disclosures of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group includes the renewal period as part of the lease term for leases office building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulation.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/depreciation of property, plant and equipment, investment properties and right-of-use ("ROU") asset

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment properties and ROU asset based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU asset would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU asset. The carrying amount at the reporting date for property, plant and equipment, investment properties and ROU asset are disclosed in Notes 4, 5 and 6 respectively.

Development expenditures

The Group capitalises development expenditures for a project in accordance with the accounting policy as disclosed in Note 3(f)(i). Initial capitalisation of development expenditures is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for development expenditures is disclosed in Note 7.

Recoverability of development expenditures

During the financial year, the Directors considered the recoverability of the Group's development expenditures arising from its development of Econfirmation platform, webpage marketplace, mobile application system development.

These projects continue to progress in a satisfactory manner, and customers reaction have reconfirmed the Directors' previous estimates of anticipated revenues from the projects. However, increased competitors activities have caused the Directors to reconsider their assumptions regarding future market share and anticipated margins of these products. Detailed sensitivity analysis has been carried out and the Directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if market activity indicates that such adjustments are appropriate. The carrying amount at the reporting date for development expenditures is disclosed in Note 7.

Amortisation of intangible assets

The Group regularly reviews the estimated useful lives of intangible assets based on the changes in the expected level of usage and technological development, therefore future amortisation charges could be revised. The carrying amount at the reporting date for intangible assets is disclosed in Note 7.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 25.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables, and amount due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, including the effects of COVID-19 pandemic at the end of the reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 9, 11 and 12 respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Notes 16(c) and 28 respectively.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has tax recoverable and payable of RM57,924 (2020: RM295,201) and RM42,913 (2020: RM8,930) respectively. The Company has tax payable and tax recoverable of RM413 and RMNil (2020: RMNil and RM3,943) respectively.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is 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 is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l)(i) on impairment of non-financial assets.

(b) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment of non-financial assets.

(i) Recognition and measurement

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture and fittings	20%
Office equipment	20%
Computers	50%
Camera equipment	20%
Motor vehicles	20%
Renovation	50%

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

(d) Leases

(i) As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

(i) As lessee (Cont'd)

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	20%
Office building	Over the remaining lease period

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised as revenue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold land and buildings	2%
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

(f) Intangible assets

(i) Internally-generated intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(f) Intangible assets (Cont'd)

(ii) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(l)(i) on impairment of non-financial assets for intangible assets.

(g) Financial assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

(a) Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

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

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

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group and the Company have not designated any financial assets as FVTPL.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

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 trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where 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 for financial instrument is recognised in profit or loss.

(h) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

(i) Offsetting of financial instruments

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

(j) Inventories

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

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in first-out basis.

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



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets and inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(l) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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

For other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(m) Share capital

(i) Ordinary shares

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 equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period 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.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is recognised in the profit or loss net of any reimbursement.

(o) Employee benefits

(i) Short-term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

Equity-settled Share-based Payment Transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(o) Employee benefits (cont'd)

(iii) Share-based payment transactions (Cont'd)

Equity-settled Share-based Payment Transaction (Cont'd)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings or accumulated losses.

(p) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

Sale of goods

The Group sells a range of merchandise in the wholesale market. Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Following delivery of the goods to the wholesaler's specific location, the wholesaler has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes. Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return, so consequently recognises a right to returned goods asset and a corresponding adjustment to the cost of inventories recognised in profit or loss. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 90 days, which is consistent with market practice.

Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to receive payment for the services.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(p) Revenue recognition (Cont'd)

(ii) Rental income

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

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Financing income

Financing income is accounted for on an accrual basis by reference to rest periods as stipulated in the loan agreements.

(q) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(s) Income taxes

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Deferred tax assets and liabilities are not discounted.

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

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

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

4. Property, Plant and Equipment

Group 2021	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost							
At 1 January 2021	170,309	111,098	479,539	73,380	252,000	852,141	1,938,467
Additions	-	-	10,833	-	260,000	-	270,833
Disposals	-	-	(3,961)	-	-	-	(3,961)
Written off	-	-	(19,000)	-	-	-	(19,000)
At 31 December 2021	170,309	111,098	467,411	73,380	512,000	852,141	2,186,339
Accumulated depreciation							
At 1 January 2021	137,681	94,259	395,094	4,892	54,601	745,296	1,431,823
Charge for the financial year	8,696	4,616	53,301	14,677	63,400	89,177	233,867
Disposals	-	-	(3,960)	-	-	-	(3,960)
Written off	-	-	(19,000)	-	-	-	(19,000)
At 31 December 2021	146,377	98,875	425,435	19,569	118,001	834,473	1,642,730
Carrying amount							
At 31 December 2021	23,932	12,223	41,976	53,811	393,999	17,668	543,609

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

Group 2020	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost							
At 1 January 2020	170,309	116,750	446,776	-	252,000	805,041	1,790,876
Additions	-	11,018	97,253	73,380	-	47,100	228,751
Disposals	-	-	(25,399)	-	-	-	(25,399)
Written off	-	(16,670)	(39,091)	-	-	-	(55,761)
At 31 December 2020	170,309	111,098	479,539	73,380	252,000	852,141	1,938,467
Accumulated depreciation							
At 1 January 2020	106,587	91,097	435,380	-	4,201	638,221	1,275,486
Charge for the financial year	31,094	19,832	24,192	4,892	50,400	107,075	237,485
Disposals	-	-	(25,391)	-	-	-	(25,391)
Written off	-	(16,670)	(39,087)	-	-	-	(55,757)
At 31 December 2020	137,681	94,259	395,094	4,892	54,601	745,296	1,431,823
Carrying amount							
At 31 December 2020	32,628	16,839	84,445	68,488	197,399	106,845	506,644



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company						
2021						
At 1 January 2021	126,829	96,057	269,630	252,000	631,617	1,376,133
Disposals	-	-	(3,961)	-	-	(3,961)
At 31 December 2021	126,829	96,057	265,669	252,000	631,617	1,372,172
Accumulated depreciation						
At 1 January 2021	126,809	91,106	218,317	54,601	630,371	1,121,204
Charge for the financial year	-	1,778	29,300	50,400	1,243	82,721
Disposals	-	-	(3,960)	-	-	(3,960)
At 31 December 2021	126,809	92,884	243,657	105,001	631,614	1,199,965
Carrying amount						
At 31 December 2021	20	3,173	22,012	146,999	3	172,207

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

Company 2020 Cost	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
At 1 January 2020	126,829	91,089	251,867	252,000	631,617	1,353,402
Additions	-	4,968	58,600	-	-	63,568
Disposals	-	-	(20,744)	-	-	(20,744)
Written off	-	-	(20,093)	-	-	(20,093)
At 31 December 2020	126,829	96,057	269,630	252,000	631,617	1,376,133
Accumulated depreciation						
At 1 January 2020	104,412	73,169	248,589	4,201	615,895	1,046,266
Charge for the financial year	22,397	17,937	10,555	50,400	14,476	115,765
Disposals	-	-	(20,737)	-	-	(20,737)
Written off	-	-	(20,090)	-	-	(20,090)
At 31 December 2020	126,809	91,106	218,317	54,601	630,371	1,121,204
Carrying amount						
At 31 December 2020	20	4,951	51,313	197,399	1,246	254,929



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

5. Investment Properties

	Freehold land and buildings	
	2021	2020
	RM	RM
Group and Company		
Cost		
At 1 January/31 December	2,500,000	2,500,000
Accumulated depreciation		
At 1 January	247,833	197,833
Charge for the financial year	50,000	50,000
At 31 December	297,833	247,833
Carrying amount		
At 31 December	2,202,167	2,252,167
Fair value of investment properties	2,560,000	2,300,000

(a) Fair value basis of investment properties

Fair value of investment properties was estimated by the Directors based on the internal appraisal of market values of comparable properties. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfers between levels during current and previous financial year.

(b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group and Company	
	2021	2020
	RM	RM
Rental income	45,600	36,500
Discount allowed	-	(2,640)
Direct operating expenses	(10,641)	(5,960)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

6. Right-of-use Assets

	Motor vehicles RM	Office building RM	Total RM
Group 2021 Cost			
At 1 January 2021	163,207	118,191	281,398
Additions	-	118,090	118,090
Disposals	(163,207)	-	(163,207)
At 31 December 2021	-	236,281	236,281
Accumulated depreciation			
At 1 January 2021	87,043	13,132	100,175
Charge for the financial year	24,482	157,486	181,968
Disposals	(111,525)	-	(111,525)
At 31 December 2021	-	170,618	170,618
Carrying amount			
At 31 December 2021	-	65,663	65,663
2020 Cost			
At 1 January 2020	163,207	-	163,207
Additions	-	118,191	118,191
At 31 December 2020	163,207	118,191	281,398
Accumulated depreciation			
At 1 January 2020	54,402	-	54,402
Charge for the financial year	32,641	13,132	45,773
At 1 December 2020	87,043	13,132	100,175
Carrying amount			
At 31 December 2020	76,164	105,059	181,223



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

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

	Motor vehicles RM
Company	
2021	
Cost	
At 1 January 2021	163,207
Disposals	(163,207)
At 31 December 2021	-
Accumulated depreciation	
At 1 January 2021	87,043
Charge for the financial year	24,482
Disposals	(111,525)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
2020	
Cost	
At 1 January/At 31 December 2020	163,207
Accumulated depreciation	
At 1 January 2020	54,402
Charge for the financial year	32,641
At 31 December 2020	87,043
Carrying amount	
At 31 December 2020	76,164

Included in the above, motor vehicle with a carrying amount of RMNil (2020: RM76,164) of the Group and of the Company are pledged as securities for the related lease liabilities as disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

7. Intangible Assets

	Development expenditures RM	Licence RM	Total RM
Group 2021			
At cost			
At 1 January 2021	4,401,143	522,110	4,923,253
Additions	251,773	-	251,773
At 31 December 2021	4,652,916	522,110	5,175,026
Accumulated amortisation			
At 1 January 2021	1,657,413	435,092	2,092,505
Charge for the financial year	909,671	87,018	996,689
At 31 December 2021	2,567,084	522,110	3,089,194
Carrying amount			
At 31 December 2021	2,085,832	-	2,085,832
2020			
At cost			
At 1 January 2020	3,426,621	522,110	3,948,731
Additions	974,522	-	974,522
At 31 December 2020	4,401,143	522,110	4,923,253
Accumulated amortisation			
At 1 January 2020	935,612	174,037	1,109,649
Charge for the financial year	721,801	261,055	982,856
At 31 December 2020	1,657,413	435,092	2,092,505
Carrying amount			
At 31 December 2020	2,743,730	87,018	2,830,748



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

7. Intangible Assets (Cont'd)

(a) Description of intangible assets

Licence

Licence is related to the money lending licence of which the fair value was valued using income approach method by an independent valuation specialist that engaged by the Group for purchase price allocation exercise on the acquisition of AppAsia Capital Sdn. Bhd.. The useful life of the license is estimated to be 2 years.

Development expenditures

Development expenditures represent the costs incurred in relation to innovation of E-confirmation system and enhancement of their existing mobile applications, digital contents, e-commerce and the information technology security solution. The useful lives of the development expenditures are estimated to be 5 years.

(b) Impairment testing for intangible assets

The Group reviews the carrying amounts of development expenditures at the end of each reporting period to determine whether there is any indication of impairment. If any such indications exist, the recoverable amount of the cash-generating units ("CGU") is determined based on its value in use. The value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the CGU based on the financial budgets prepared by the management covering a period of five (5) years.

The key assumptions used in the value in use calculations are as follows:

- (i) The anticipated average annual revenue growth rates used in the cash flows budgets and plans of CGU at 12-25% per annum from years 2022 to 2026.
- (ii) Profit margins were projected based on pre-determined profit margin for the products.
- (iii) A pre-tax discount rate of 8% per annum (2020: 11%) has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Company's weighted average cost of capital plus a reasonable risk premium.

Based on the assessment, the management are of the view that no impairment loss is required as the recoverable amount of the CGU is higher than its carrying amount as at 31 December 2021.

(c) Sensitivity to changes in assumptions

The management believes that there is no reasonable possible change in any key assumption that would cause the CGU carrying amount to exceed its recoverable amount.

8. Investment in Subsidiary Companies

	Company	
	2021 RM	2020 RM
At cost		
In Malaysia:		
Unquoted shares	18,541,500	18,507,200
Less: Accumulated impairment losses	(2,222,830)	(2,222,830)
	<hr/> 16,318,670	<hr/> 16,284,370

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

Movements in the allowance for impairment losses are as follows:

	2021 RM	Company 2020 RM
At 1 January/31 December	2,222,830	2,222,830

Details of subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Extol Corporation Sdn. Bhd.	Malaysia	100	100	Sales, research and development of IT security technology, system maintenance, professional IT security services, training and other IT products and solutions.
AppAsia Marketing Sdn. Bhd.	Malaysia	100	100	E-commerce and video production and act as training provider and advertising agents.
AppAsia Cloud Sdn. Bhd.	Malaysia	100	100	All kinds of services related to information technology infrastructure, application systems and computer software including system support and maintenance, system integration, project coordination, management, implementation, consultation, training, seminars, exhibition, agency, and the business of trading to utilise technologies related to internet, e-commerce, e-business, and blockchain for online investment, marketing, trading and advertising for conducting any business.
AppAsia Tech Sdn. Bhd.	Malaysia	100	100	Information Technology Systems and applications development related business and video production and act as training provider and advertising agents.
AppAsia Mall Sdn. Bhd.	Malaysia	100	100	Business in relation to e-commerce and to deal on all type of e-commerce in all business goods, services, merchandise, vide business to business (b2b), business to customer (b2c) and providing services in portals, internet marketing and electronic publishing.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

Details of subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
AppAsia International Sdn. Bhd.	Malaysia	100	100	Consultants, advisors and to organise, conduct courses, seminars, trainings for any person, firm, corporation, business and industry.
AppAsia Capital Sdn. Bhd.	Malaysia	100	100	Money lending business.
AppAsia Stream Sdn. Bhd.	Malaysia	70	70	Photography, video streaming, videography production and advertisement.

(a) Incorporation of a subsidiary company

In previous financial year, the Company had subscribed for 700 new ordinary shares in AppAsia Stream Sdn. Bhd. for a total cash consideration of RM700. Consequently, AppAsia Stream Sdn. Bhd. become a 70% owned subsidiary company of the Company.

(b) Additional investment in a subsidiary company

On 19 November 2021, the Company had subscribed for an additional 34,300 new ordinary shares in AppAsia Stream Sdn. Bhd., a subsidiary of the Company, for a total cash consideration of RM34,400. AppAsia Stream Sdn. Bhd. remains as 70% owned subsidiary of the Company.

In previous financial year, the Company had subscribed for an additional of 1,600,000 new ordinary shares in AppAsia International Sdn. Bhd., for a total cash consideration of RM1,600,000. AppAsia International Sdn. Bhd. remains as a wholly-owned subsidiary company of the Company.

9. Trade Receivables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables				
Non-current	347,473	784,143	-	-
Current	9,604,980	11,104,555	3,000	-
Less: Accumulated impairment losses	(16,163)	(11,143)	-	-
	9,588,817	11,093,412	3,000	-
	9,936,290	11,877,555	3,000	-

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

9. Trade Receivables (Cont'd)

Included above is loan receivables from third parties of RM7,074,693 (2020: RM1,486,734) related to the money lending business. The amounts are partially secured, bear interest at 6% to 16.49% p.a. (2020: 11.43% to 16.49% p.a.), and have an average maturity of 2 years (2020: 3 years).

Other trade receivables are non-interest bearing and generally on 30 to 90 days (2020: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	2021 RM	Group 2020 RM
At 1 January	11,143	9,150
Impairment losses recognised	5,020	1,993
At 31 December	16,163	11,143

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The following table provide information about the exposure to credit risk and ECLs for trade receivables:

Group	Gross amount RM	Loss allowance RM	Net amount RM
2021			
Not past due	8,949,749	(3,038)	8,946,711
Past due:			
Less than 30 days	209,948	(531)	209,417
31 to 60 days	352,807	(248)	352,559
61 to 90 days	59,427	(542)	58,885
More than 90 days	380,522	(11,804)	368,718
	1,002,704	(13,125)	989,579
	9,952,453	(16,163)	9,936,290
2020			
Not past due	6,803,655	(7,708)	6,795,947
Past due:			
Less than 30 days	4,962,043	(184)	4,961,859
31 to 60 days	74,966	(155)	74,811
61 to 90 days	44,388	(505)	43,883
More than 90 days	3,646	(2,591)	1,055
	5,085,043	(3,435)	5,081,608
	11,888,698	(11,143)	11,877,555

9. Trade Receivables (Cont'd)



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

The following table provide information about the exposure to credit risk and ECLs for trade receivables: (Cont'd)

Company	Gross amount RM	Loss allowance RM	Net amount RM
2021			
Not past due	3,000	-	3,000

10. Inventories

	2021 RM	Group 2020 RM
At net realisable value		
Trading merchandise	-	64,532
Recognised in profit or loss:		
Inventories recognised as cost of sales	31,505	1,049,377
Inventories written off	33,027	-
Inventories written down	-	66,162

11. Other Receivables

	2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Other receivables	3,177,519	1,418,867	699	269
Less: Accumulated impairment losses	-	(1,201)	-	-
	3,177,519	1,417,666	699	269
Deposits	2,153,784	117,645	31,360	31,360
Prepayments	192,738	377,560	68,087	75,808
Accrued revenue	457,686	281,463	-	-
	5,981,727	2,194,334	100,146	107,437

Included in other receivables and deposits are an amount of RM2,944,801 (2020: RMNil) and RM2,000,000 (2020: RMNil) represents advance payment to supplier and deposits for digital asset exchange account respectively.

The accrued revenue primarily relates to the Group's rights to consideration for work performed but not yet billed at the reporting date for its services performed. The accrued revenue will be transferred to trade receivables when the rights become unconditional.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

11. Other Receivables (Cont'd)

As of the reporting date, the receivables expected to be recognised in the future relating to performance obligations that are satisfied is RM457,686 (2020: RM281,463). The Group expects to recognise this revenue as the services are performed, which is expected to occur over the next 12 months.

Movements in the allowance for impairment losses are as follows:

	Group	
	2021 RM	2020 RM
At 1 January	1,201	-
Impairment losses recognised	-	1,201
Written off	(1,201)	-
At 31 December	-	1,201

12. Amount Due from Subsidiary Companies

	Company	
	2021 RM	2020 RM
Amount due from subsidiary companies		
Trade related	378,000	-
Non-trade related	7,869,887	4,842,787
	8,247,887	4,842,787
Less: Accumulated impairment losses	(62,716)	(62,716)
	8,185,171	4,780,071

Trade balances are non-interest bearing and generally on 30 to 90 days (2020: 30 to 90 days) term. Non-trade balances are non-interest bearing, unsecured and repayable on demand.

Movements in the allowance for impairment losses are as follows:

	Company	
	2021 RM	2020 RM
At 1 January	62,716	187,734
Reversal of impairment losses	-	(125,018)
At 31 December	62,716	62,716



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

13. Cash and Bank Balances

The currency exposure profiles of cash and bank balances are as follows:

	2021 RM	Group 2020 RM
United States Dollar	4,683	3,592

14. Share Capital

	Group and Company		Amount	
	2021 Units	2020 Units	2021 RM	2020 RM
Issued and fully paid				
At 1 January	363,121,800	345,249,800	28,926,952	26,463,256
Share split	739,500,400	-	-	-
Exercise of Warrants	20,435,160	16,752,000	1,417,969	2,177,760
Exercise of SIS options	4,500,000	1,120,000	382,950	285,936
At 31 December	1,127,557,360	363,121,800	30,727,871	28,926,952

During the financial year, the Company issued:

Prior to the share split

- 6,628,400 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.13 per ordinary share; and
- On 5 July 2021, the Company undertook a share split involving the subdivision of every 1 existing ordinary share into 3 ordinary shares involving the issuance of 739,500,400 additional shares and listing of up to 224,620,000 additional warrants arising from the adjustment to the number of outstanding warrants in accordance with the provision of Deed Poll.

After share split

- 13,806,700 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.04 per ordinary share; and
- 60 new ordinary shares pursuant to the conversion of Warrants 2021/2024 at the exercise price of RM0.135 per ordinary shares; and
- 4,500,000 new ordinary shares at a weighted average exercise price of RM0.061 per ordinary share for total consideration of RM274,500 from the exercise of employees' share options.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

14. Share Capital (Cont'd)

In previous financial year, the Company increased its issued and paid up share capital from RM26,463,256 to RM28,926,952 by way of issuance of 17,872,000 new ordinary shares as follows:

- (a) 16,752,000 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.13 per ordinary shares; and
- (b) 1,120,000 new ordinary shares at a weighted average exercise price of RM0.183 per ordinary share for total consideration of RM204,960 from the exercise of employees' share options.

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary share rank equally with regards to the Company's residual assets.

15. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 18 June 2021, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

	Group and Company			
	Number of Shares 2021 Units	2020 Units	Amount 2021 RM	2020 RM
At 1 January	5,370,400	3,501,300	991,418	317,120
Purchase of own shares	9,877,100	1,869,100	6,182,282	674,298
Share split	30,495,000	-	-	-
At 31 December	45,742,500	5,370,400	7,173,700	991,418

During the financial year, the Company repurchased a total of 9,877,100 (2020: 1,869,100) of its issued ordinary shares from the open market at an average price of RM0.62 (2020: RM0.36) per share. The total consideration paid for the repurchase was RM6,182,282 (2020: RM674,298). The repurchased transactions were financed by internally-generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act 2016 in Malaysia.

Prior to the share split, the Company held 15,247,500 shares and subsequently to the share split, as of 31 December 2021, the Company held 45,742,500 shares out of the total 1,127,557,360 issued ordinary shares at a total cost of RM7,173,700.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

16. Reserves

			Group		Company
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Warrant reserve	(a)	16,264,559	17,959,698	16,264,559	17,959,698
Other reserve	(b)	(16,264,559)	(17,959,698)	(16,264,559)	(17,959,698)
Share Issuance Scheme Option reserve	(c)	600,090	708,540	600,090	708,540
(Accumulated losses)/Retained earnings		(39,979)	280,271	4,834,846	5,128,306
		560,111	988,811	5,434,936	5,836,846

(a) Warrant reserve

Warrants reserve represents reserve allocated to free detachable warrants issued with rights issue.

Warrant A (Warrants 2014/2024)

During the financial year ended 31 December 2015, the Company issued renounceable rights issue of up to 138,956,400 new ordinary shares of RM0.10 each together with up to 138,956,400 free detachable warrants ("Warrants A") on the basis of one (1) Rights Share together with one (1) Warrants A for every one (1) existing ordinary share held.

The Company executed a Deed Poll constituting the Warrants A and the exercise price of the Warrants A have been fixed at RM0.13 each. The Warrants A may be exercised at any time within 10 years commencing on and including the date of issuance and expiring on 23 December 2024. Any Warrants A which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants A shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants.

On 18 June 2021, the shareholders of the Company had approved the adjustment to the exercise price and number of outstanding of the Warrants 2014/2024 pursuant to the subdivision of every 1 existing ordinary share in the Company into 3 ordinary shares in the Company ("share split"). Additional warrants of 224,620,000 were listed and quoted on the ACE Market of Bursa Securities on 5 July 2021.

As at the financial year end, the total number of Warrants A that remain unexercised were 323,123,300 (2020: 118,938,400).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021

(CONT'D)

16. Reserves (Cont'd)

(a) Warrant reserve (Cont'd)

Warrant B (Warrants 2021/2024)

During the financial year ended 31 December 2021, the Company issued 106,920,802 bonus issue of free warrant on basis of one (1) warrant (Warrants B) for every ten (10) existing ordinary share held.

The Company executed a Deed Poll constituting the Warrants B and the exercise price of the Warrants B have been fixed at RM0.135 each. The Warrants B may be exercised at any time within 3 years commencing on and including the date of issuance and expiring on 17 June 2024. Any Warrants B which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants B shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants B.

As at the financial year end, the total number of Warrants B that remain unexercised were 106,920,742 (2020: Nil).

(b) Other reserve

This represents fair value allocated to the detachable warrants issued in conjunction with rights issue refer to Note 16(a).

(c) Share Issuance Scheme Option reserve

	Group and Company	
	2021	2020
	RM	RM
Non-distributable		
At 1 January	708,540	789,516
Exercise of SIS options	(108,450)	(80,976)
At 31 December	600,090	708,540

Share Issuance Scheme Option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Share Issuance Scheme Option is disclosed in Note 28.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

17. Lease Liabilities

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current	27,564	67,492	-	-
Current	39,928	50,162	-	11,873
	67,492	117,654	-	11,873

The maturity analysis of lease liabilities at the end of the reporting period:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Within 1 year	42,000	53,996	-	11,996
Between 1 to 2 years	28,000	42,000	-	-
Between 2 to 5 years	-	28,000	-	-
	70,000	123,996	-	11,996
Less: Future finance charges	(2,508)	(6,342)	-	(123)
Present value of lease liabilities	67,492	117,654	-	11,873

The Group leases various office buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

18. Trade Payables

Credit terms of trade payables of the Group is 30 days (2020: 30 days) depending on the terms of the contracts.

19. Other Payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	4,141,983	3,524,782	3,161	8,370
Accruals	373,136	418,575	70,856	65,081
Deposit received	717,527	545,817	12,400	7,600
Deferred revenue	604,535	336,275	-	-
Service tax payable	123,861	178,748	-	-
	5,961,042	5,004,197	86,417	81,051

Included in other payables is an amount of RM3,738,554 (2020: RMNil) represents deposits received from customers.

The deferred revenue primarily relates to the advance consideration received from customer for service contracts, which revenue is recognised over the service period for 1 - 12 months.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

20. Revenue

	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
Revenue from contracts with customers:				
Rendering of services	6,906,100	6,395,773	12,000	-
Sales of goods	57,196,830	67,068,193	-	-
Management fees	-	-	1,500,000	1,560,000
	64,102,930	73,463,966	1,512,000	1,560,000
Revenue from other sources:				
Interest income	32,239	11,297	32,239	11,297
Rental income	45,600	33,860	62,400	33,860
Financing income	334,454	827,831	-	-
	412,293	872,988	94,639	45,157
	64,515,223	74,336,954	1,606,639	1,605,157
Timing of revenue recognition:				
At a point in time	59,595,921	69,095,390	-	-
Over time	4,507,009	4,368,576	1,512,000	1,560,000
Total revenue from contracts with customers	64,102,930	73,463,966	1,512,000	1,560,000

Breakdown of the Group's revenue from contracts with customers:

	Investment Holding RM	Digital Solutions RM	E-Commerce Business RM	Others RM	Consolidated Total RM
2021					
Major goods and services:					
Rendering of services	12,000	6,393,164	261,225	239,711	6,906,100
Sales of goods	-	-	57,196,830	-	57,196,830
Total revenue from contracts with customers	12,000	6,393,164	57,458,055	239,711	64,102,930
Geographical market:					
Malaysia	12,000	6,391,963	57,458,055	239,711	64,101,729
United States	-	1,201	-	-	1,201
Total revenue from contracts with customers	12,000	6,393,164	57,458,055	239,711	64,102,930
Timing of revenue recognition:					
At a point in time	-	2,333,866	57,262,055	-	59,595,921
Over time	12,000	4,454,498	-	40,511	4,507,009
	12,000	6,788,364	57,262,055	40,511	64,102,930



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

20. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers: (Cont'd)

	Digital Solutions RM	E-Commerce Business RM	Others RM	Consolidated Total RM
2020				
Major goods and services:				
Rendering of services	3,866,914	1,303,335	1,225,524	6,395,773
Sales of goods	-	67,068,193	-	67,068,193
Total revenue from contracts with customers	3,866,914	68,371,528	1,225,524	73,463,966
Geographical market:				
Malaysia	3,866,503	68,371,528	1,225,524	73,463,555
United States	247	-	-	247
Others	164	-	-	164
Total revenue from contracts with customers	3,866,914	68,371,528	1,225,524	73,463,966
Timing of revenue recognition:				
At a point in time	275,749	68,819,641	-	69,095,390
Over time	4,161,465	-	207,111	4,368,576
	4,437,214	68,819,641	207,111	73,463,966

21. Finance Cost

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expense on:				
Lease liabilities	7,706	3,008	123	1,418

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

22. (Loss)/Profit Before Tax

(Loss)/Profit before tax is derived after charging/(crediting) amongst other, the following items:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Amortisation of intangible assets	996,689	982,856	-	-
Auditors' remuneration				
- statutory audits	66,000	73,000	22,000	22,000
- non-audit services	3,000	3,000	3,000	3,000
Depreciation of:				
- investment properties	50,000	50,000	50,000	50,000
- property, plant and equipment	233,867	237,485	82,721	115,765
- right-of-use assets	181,968	45,773	24,482	32,641
Non-executive Directors' remuneration				
- Fee	77,758	78,000	77,758	78,000
- Other emoluments	36,500	42,000	36,500	42,000
Lease expenses relating to short-term leases(a)	92,388	219,150	124,800	124,800
Lease expenses relating to low-value asset(a)	6,060	3,350	-	-
Gain on disposal of:				
- property, plant and equipment	(99)	(2,392)	(99)	(1,193)
- right-of-use assets	(28,318)	-	(28,318)	-
Unrealised loss/(gain) on foreign exchange	119	(347)	-	-
Realised gain on foreign exchange	(65)	(68)	-	-
Wages subsidies(b)	(25,700)	(45,000)	-	(27,000)
Inventories written down	-	66,162	-	-
Inventories written off	33,027	-	-	-
Interest income	(161,668)	(61,768)	(32,239)	-
Property, plant and equipment written off	-	4	-	3
Impairment/(Reversal of impairment) losses on:				
- amount due from subsidiary companies	-	-	-	(125,018)
- trade receivables	5,020	1,993	-	-
- other receivables	-	1,201	-	-

(a) The Group and the Company leases a number of premises and equipment with contract terms of not more than one year. These leases are short-term term and/or leases of low value items. The Group or the Company has elected not to recognise ROU assets and lease liabilities for these leases.

(b) The Group and the Company were entitled to a wage subsidy programme introduced by the government of Malaysia in response to the COVID-19 pandemic during the financial year.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

23. Taxation

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Tax expenses recognised in profit or loss				
Current tax				
- Current year	183,399	82,609	20,160	8,057
- (Over)/Under provision for the prior years	(10,835)	(218,898)	2,196	(17,422)
	172,564	(136,289)	22,356	(9,365)

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year.

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(Loss)/Profit before tax	(294,220)	472,405	(271,104)	66,886
At Malaysian statutory tax rate of 24% (2020: 24%)	(70,613)	113,377	(65,065)	16,053
Income not subject to tax	(62,116)	(94,475)	(4,714)	(286)
Income exempted under pioneer status incentive	(62,782)	(11,099)	-	-
Expenses not deductible for tax purposes	387,675	300,191	129,439	80,052
Deferred tax assets not recognised	165,784	62,746	-	7,741
Utilisation of previously unrecognised deferred tax assets	(174,549)	(288,131)	(39,500)	(95,503)
	183,399	82,609	20,160	8,057
(Over)/Under provision of taxation in prior years	(10,835)	(218,898)	2,196	(17,422)
	172,564	(136,289)	22,356	(9,365)

The Group and the Company have the following estimated unutilised capital allowances and unutilised tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised capital allowances	547,826	639,772	218,488	367,118
Unutilised tax losses	12,108,426	12,035,054	7,394,770	7,394,770
	12,656,252	12,674,826	7,613,258	7,761,888
Income tax savings arising from utilisation of prior year losses previously not recognised	174,549	288,131	39,500	95,503

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

23. Taxation (Cont'd)

The subsidiary company, AppAsia Tech Sdn. Bhd. ("AppAsia Tech") was awarded with the Multimedia Super Corridor ("MSC") status by the Government of Malaysia. The financial incentive awarded to AppAsia Tech Sdn. Bhd. under the MSC status is "Pioneer Status" under Section 47 of the Promotion of Investment Act, 1986. AppAsia Tech has been granted with the Pioneer Status by the Ministry of International Trade and Industry for services under the Promotion Investment Act, 1986, in which the statutory income is exempted from tax for a period of 5 years from 30 November 2016 until 30 June 2021.

24. (Loss)/Earnings Per Share

(a) Basic (loss)/earnings per share

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

	2021 RM	Group 2020 RM
(Loss)/Profit attributable to owners of the Company	(320,250)	678,864
Weighted average number of ordinary shares in issue (in unit):		
Issued ordinary shares at 1 January	357,751,400	341,748,500
Effect of ordinary shares issued pursuant to Share Split	715,502,800	696,217,546 [#]
Effect of ordinary shares issued during the financial year	-	6,360,273
Effect of treasury shares held	(1,783,395)	-
Weighted average number of ordinary shares at 31 December	1,071,470,805	1,044,326,319
Basic (loss)/earnings per share (in sen)	(0.03)	0.07

The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect the retrospective adjustment arising from the Share Split which was completed during the financial year ended 31 December 2021.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

24. (Loss)/Earnings Per Share (Cont'd)

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share are calculated based on the adjusted consolidated (loss)/profit for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	2021 RM	Group 2020 RM
(Loss)/Profit attributable to owners of the Company	(320,250)	678,864
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,071,470,805	1,044,326,319 [#]
Effect of share options on issue	15,711,561	17,394,291 [^]
Effect of conversion of Warrants	264,537,009	264,062,142 [^]
Weighted average number of ordinary shares at 31 December (diluted)	1,351,719,375	1,325,782,752
Diluted (loss)/earnings per share (in sen)	(0.02)	0.05

[^] The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect the effects of full conversion of warrants and exercise of share options pursuant to the Share Split which was completed during the financial year ended 31 December 2021.

[#] The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect the retrospective adjustment arising from the Share Split which was completed during the financial year ended 31 December 2021.

25. Deferred Taxation

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax liabilities	23,975	27,436	5,687	3,200
Deferred tax assets	(23,975)	(27,436)	(5,687)	(3,200)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

25. Deferred Taxation (Cont'd)

The movements and components of deferred tax liabilities and assets prior to offsetting are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax liabilities:				
Accelerated capital allowances				
At 1 January	27,436	5,354	3,200	5,354
Recognised in profit or loss	5,062	22,082	3,829	(2,154)
Over provision in prior year	(8,523)	-	(1,342)	-
At 31 December	23,975	27,436	5,687	3,200
Deferred tax assets:				
Unutilised capital allowances				
At 1 January	(27,436)	(5,354)	(3,200)	(5,354)
Recognised in profit or loss	(5,062)	(22,082)	(3,829)	2,154
Over provision in prior year	8,523	-	1,342	-
At 31 December	(23,975)	(27,436)	(5,687)	(3,200)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised capital allowances	447,930	560,969	194,791	359,375
Unutilised tax losses	12,108,426	12,035,054	7,394,770	7,394,770
Other temporary differences	6,261	3,113	-	-
	12,562,617	12,599,136	7,589,561	7,754,145

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

26. Staff Costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, wages and other emoluments	3,321,877	3,550,666	698,706	685,029
Social security contributions	30,004	25,100	6,484	5,546
Defined contribution plans	427,154	452,235	110,453	106,299
Employee insurance system	3,116	2,483	741	634
Other benefits	43,939	26,687	24,055	19,742
Benefits-in-kind	42,033	40,600	31,933	33,400
	3,868,123	4,097,771	872,372	850,650
Staff costs capitalised into development expenditure	(158,005)	(663,343)	-	-
	3,710,118	3,434,428	872,372	850,650

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and the Company during the financial year as below:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Directors of the Company</u>				
Salaries and allowances	1,200,000	1,260,000	360,000	340,000
Defined contribution plans	203,150	210,000	68,400	64,600
Employee insurance system	815	520	190	142
Social security contributions	7,110	4,557	1,657	1,243
Benefits-in-kind	42,033	40,600	31,933	33,400
	1,453,108	1,515,677	462,180	439,385
Staff costs capitalised into development expenditure	-	(111,087)	-	-
	1,453,108	1,404,590	462,180	439,385

	Group	
	2021 RM	2020 RM
<u>Director of subsidiary company</u>		
Salaries and allowances	153,000	67,258
Defined contribution plans	18,360	8,076
Employee insurance system	95	40
Social security contributions	829	345
	172,284	75,719

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

27. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM	New lease RM	Financing cash flows (i) RM	At 31 December RM
Group				
2021				
Lease liabilities	117,654	118,090	(168,252)	67,492
2020				
Lease liabilities	46,402	118,191	(46,939)	117,654
	At 1 January RM	Financing cash flows (i) RM	At 31 December RM	
Company				
2021				
Lease liabilities		11,873	(11,873)	-
2020				
Amount due to subsidiary companies		1,229,312	(1,229,312)	-
Lease liabilities		46,402	(34,529)	11,873
		1,275,714	(1,263,841)	11,873

(i) The cash flows from lease liabilities and advances to related companies make up the net amount of proceeds from or repayments of borrowings and intercompany in the statements of cash flows.

28. Share Issuance Scheme ("SIS")

At an extraordinary general meeting held on 15 November 2014, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group.

The salient features of the SIS Options are as follows:

- (a) any employee of the Group shall be eligible if as at the date of offer, the employee:
 - (i) has attained at least eighteen (18) years of age;
 - (ii) is an employee in a company within the Group, which is not dormant belonging to such categories of employment as determined by the Option Committee; and
 - (iii) who falls under such categories and criteria that the Option Committee may decide at its absolute discretion from time to time.
- (b) any Director of the Group shall be eligible if as at the date of offer, the Director:
 - (i) is at least eighteen (18) years of age; and
 - (ii) has been appointed as a Director of a company within the Group, which is not dormant.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

28. Share Issuance Scheme ("SIS") (Cont'd)

- (c) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.
- (d) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.
- (e) The SIS shall be in force for a period of five (5) years. On 18 February 2020, the Company announced the extension of SIS which was expiring on 12 March 2020 for another five (5) years until 12 March 2025 in accordance with terms of the By-Laws.
- (f) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

Movements in the number of share options and the weighted average exercise prices are as follows:

Date of offer	Exercise price	Number of options over ordinary shares			
		At 1.1.2021	Share split adjustment	Exercised	At 31.12.2021
24 March 2015	0.061	9,800,000	19,600,000	(4,500,000)	24,900,000

Date of offer	Exercise price	At 1.1.2020	Share split adjustment	Exercised	At 31.12.2020
24 March 2015	0.183	10,920,000	-	(1,120,000)	9,800,000

Number of share options exercisable after share split as at 31 December 2021 is 24,900,000 (2020: 9,800,000). During the financial year, the Company completed a share split exercise which resulted in creation of 19,600,000 additional options and the exercise price of the outstanding options will be adjusted from RM0.183 to RM0.061 per share. Subsequent to share split exercise, 4,500,000 shares option were exercised.

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted, estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	2021 RM	2020 RM
Fair value of share options granted	0.0241	0.0723
Weighted average share price at grant date	0.076	0.228
Weighted average exercise price	0.061	0.183
Expected volatility (%)	162.64	162.64
Expected life (years)	5 years	5 years
Risk free rate (%)	3.736	3.736
Expected dividend yield (%)	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

28. Share Issuance Scheme ("SIS") (Cont'd)

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

29. Related Party Disclosures

(a) Identifying related parties

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

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

(b) Significant related party transactions

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

	Group	
	2021 RM	2020 RM
Transactions with companies in which certain Directors have substantial financial interests		
Rental of premises paid/payable	208,350	208,350
Company		
	2021 RM	2020 RM
Transactions with subsidiary companies		
Management fee	(1,500,000)	(1,560,000)
Rental income	(16,800)	-
Transactions with companies in which a Director of the Company has substantial financial interests		
Rental of premises paid/payable	124,800	124,800



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

29. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, fees and other emoluments	1,735,008	1,976,653	474,258	579,000
Defined contributions plan	253,646	291,416	68,400	78,880
Employee insurance system	1,100	939	190	237
Social security contributions	9,597	8,216	1,657	2,072
Benefits-in-kind	42,033	40,600	31,933	33,400
	2,041,384	2,317,824	576,438	693,589
Staff costs capitalised into development expenditure	(56,910)	(373,558)	-	-
	1,984,474	1,944,266	576,438	693,589

30. Segment Information

In line with the Group's Strategy to penetrate into different IT consumer market, the management has currently segregated the Group into the following core business units based on different products, services and market segments as follows:

Investment Holding	Investment holding and provision of management services.
Digital Solutions	Provision of digital platform related solutions and services.
E-Commerce Business	Provision of online marketplace for e-commerce activities.
Others	Provision of other complementary activities.

The Group management strategically dedicates the operation of each business units to the respective subsidiary companies and monitors the operation separately for effective resource allocation and performance assessment. Each business unit's performance is evaluated based on the long-term business value and profitability.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

30. Segment Information (Cont'd)

2021	Investment Holding RM	Digital Solutions RM	E-Commerce Business RM	Others RM	Eliminations RM	consolidated RM
Revenue						
External customers	89,839	6,393,164	57,458,055	574,165	-	64,515,223
Inter segment	1,516,800	539,200	501,785	-	(2,557,785)	-
Total revenue	1,606,639	6,932,364	57,959,840	574,165	(2,557,785)	64,515,223
Segment results						
Interest income	32,239	81,536	44,062	3,831	-	161,668
Finance cost	(123)	(7,583)	-	-	-	(7,706)
Depreciation and amortisation	(157,203)	(1,041,088)	(177,215)	-	(87,018)	(1,462,524)
Other non-cash item	28,417	(5,139)	(33,027)	-	-	(9,749)
Segments(loss)/profit before tax	(271,104)	25,530	(34,800)	73,172	(87,018)	(294,220)
Assets						
Included in the measurement of segment assets are:						
Capital expenditure	-	640,696	-	-	-	640,696
Segments assets	29,075,937	13,690,221	7,734,845	9,451,666	(29,914,996)	30,037,673
Liabilities						
Segment liabilities	86,830	5,425,860	4,715,071	9,556,376	(13,659,042)	6,125,095



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

30. Segment Information (Cont'd)

2020	Investment Holding RM	Digital Solutions RM	E-Commerce Business RM	Others RM	Eliminations RM	consolidated RM
Revenue						
External customers	45,157	3,866,914	68,371,528	2,053,355	-	74,336,954
Inter segment	1,560,000	540,000	13,185	-	(2,113,185)	-
Total revenue	1,605,157	4,406,914	68,384,713	2,053,355	(2,113,185)	74,336,954
Segment results						
Interest income	-	26,492	21,588	13,688	-	61,768
Finance cost	(1,418)	(1,590)	-	-	-	(3,008)
Depreciation and amortisation	(198,406)	(679,058)	(177,595)	-	(261,055)	(1,316,114)
Other non-cash item	126,208	(448)	(67,362)	-	(125,019)	(66,621)
Segments(loss)/profit before tax	66,886	128,006	202,588	460,999	(386,074)	472,405
Assets						
Included in the measurement of segment assets are:						
Capital expenditure	63,568	1,257,896	-	-	-	1,321,464
Segments assets	33,865,304	12,412,453	15,782,501	1,593,778	(29,042,732)	34,611,304
Liabilities						
Segment liabilities	92,924	4,123,274	12,729,897	1,718,829	(12,908,095)	5,756,829

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

30. Segment Information (Cont'd)

(a) Eliminations

Inter-segment revenues are eliminated on consolidation.

(b) Other non-cash income/(expense) consist of the following items as presented in the respective notes to financial statements:

	2021 RM	Group 2020 RM
Gain on disposal of:		
- property, plant and equipment	99	2,392
- right-of-use assets	28,318	-
Impairment losses on:		
- trade receivables	(5,020)	(1,993)
- other receivables	-	(1,201)
Inventories written off	(33,027)	-
Inventories written down	-	(66,162)
Property, plant and equipment written off	-	(4)
Unrealised (loss)/gain on foreign exchange	(119)	347
	(9,749)	(66,621)

(c) Geographic information

No disclosure on geographical segment information as the Group predominantly operates in Malaysia.

(d) Major customers

Major customers' information are revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

The following are major customers with revenue equal or more than 10% of the Group's total revenue arising from:

	2021 RM	Revenue 2020 RM
Group		
- Customer A	-	11,966,977
- Customer B	41,668,262	13,984,709
	41,668,262	25,951,686



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. 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. The principal 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 following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost RM
Group	
2021	
Financial assets	
Trade receivables	9,936,290
Other receivables	5,331,303
Cash and bank balances	9,164,461
	24,432,054
Financial liabilities	
Trade payables	53,648
Other payables	5,232,646
Lease liabilities	67,492
	5,353,786
2020	
Financial assets	
Trade receivables	11,877,555
Other receivables	1,535,311
Cash and bank balances	14,408,900
	27,821,766
Financial liabilities	
Trade payables	626,048
Other payables	4,489,174
Lease liabilities	117,654
	5,232,876

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. Financial Instruments (Cont'd)

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

	At amortised cost RM
Company	
2021	
Financial assets	
Trade receivables	3,000
Other receivables	32,059
Amount due from subsidiary companies	8,185,171
Cash and bank balances	2,094,576
	10,314,806
Financial liability	
Other payables	86,417
2020	
Financial assets	
Other receivables	31,629
Amount due from subsidiary companies	4,780,071
Cash and bank balances	10,106,223
	14,917,923
Financial liabilities	
Other payables	81,051
Lease liabilities	11,873
	92,924

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these 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 principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies. There are no significant changes as compared to prior periods.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. Financial Instruments (Cont'd)

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

(i) Credit risk (Cont'd)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

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

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk, excluding any collateral held. The financial effect of collateral held for loan receivables is not significant.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group had 2 customers (2020: Nil) accounted for approximately 60% of RM6,000,000 (2020: Nil) of all the receivables outstanding. The Company has no significant concentration of credit risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. 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's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2021					
<u>Non-derivative financial liabilities</u>					
Trade payables	53,648	-	-	53,648	53,648
Other payables	5,232,646	-	-	5,232,646	5,232,646
Lease liabilities	42,000	28,000	-	70,000	67,492
	5,328,294	28,000	-	5,356,294	5,353,786
2020					
<u>Non-derivative financial liabilities</u>					
Trade payables	626,048	-	-	626,048	626,048
Other payables	4,489,174	-	-	4,489,174	4,489,174
Lease liabilities	53,996	42,000	28,000	123,996	117,654
	5,169,218	42,000	28,000	5,239,218	5,232,876
Company					
2021					
<u>Non-derivative financial liability</u>					
Other payables		86,417		86,417	86,417
2020					
<u>Non-derivative financial liabilities</u>					
Other payables		81,051		81,051	81,051
Lease liabilities		11,996		11,996	11,873
		93,047		93,047	92,924



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. Financial Instruments (Cont'd)

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

(iii) Market risk

(a) Foreign currency risk

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

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD RM
Group 2021	
Cash and bank balances	4,683
Trade receivables	1,521
	6,204
2020	
Cash and bank balances	3,592
Trade receivables	1,386
	4,978

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

	Change in currency rate RM	2021 Effect on loss before tax RM	Change in currency rate RM	2020 Effect on profit before tax RM
Group				
USD	Strengthened 1%	62	Strengthened 1%	50
	Weakened 1%	(62)	Weakened 1%	(50)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. Financial Instruments (Cont'd)

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

(iii) Market risks (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate borrowings and financing to customers are exposed to a risk of change in their fair value due to changes in interest rates.

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

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

	Group	
	2021 RM	2020 RM
Group		
Fixed rate instrument		
Financial assets	7,074,693	1,486,734
Financial liabilities	(67,492)	(117,654)
	<hr/> 7,007,201	<hr/> 1,369,080
Company		
Fixed rate instrument		
Financial liabilities	-	(11,873)
	<hr/>	<hr/>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

31. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

32. Capital Management

The Group's objectives when managing capital are to safeguard the Group'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 the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

32. Capital Management (Cont'd)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Lease liabilities	67,492	117,654	-	11,873
Less: Cash and bank balances	(9,164,461)	(14,408,900)	(2,094,576)	(10,106,223)
Net debt	(9,096,969)	(14,291,246)	(2,094,576)	(10,094,350)
Total equity	23,912,578	28,854,475	28,989,107	33,772,380
Gearing ratio	*	*	*	*

* Gearing ratio not applicable to the Group and the Company as the cash and cash equivalents as at 31 December 2021 and 31 December 2020 is sufficient to cover the entire borrowing obligation.

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

33. COVID-19 Impact

Following from the development of the COVID-19 declared by the World Health Organisation as a global pandemic on 11 March 2020, the Government Malaysia imposed various phases of Movement Control Order ("MCO") to curb the spreads of the COVID-19 pandemic in Malaysia. Due to the increase in cases in the country, the Government again imposed MCO with effect from 1 June 2021 followed by a four-phase National Recovery Plan with specific threshold indicators to decide the classification of different states into different phases.

The unprecedented COVID-19 measures undertaken by the authorities resulted in stringent travel restrictions, nationwide lockdown, and drastic reduction in business activities which has brought significant economic uncertainties in Malaysia and within the industry and markets that the Group and the Company operate in. The imposition of the MCOs had resulted in disruptions especially to the Business-to-Business ("B2B") e-commerce business and video production business and consequently resulted in lower revenue in the current financial year.

Nevertheless, the Group has acted swiftly to mitigate the effect of declining revenue in B2B and video production business by diligently promote its digital solutions including providing specialised e-media digital solutions by partnering with a few major publishers and the Group had secured a new digital platform contract with a major publisher during the financial year and it is expected to further improve the financial performance of the Group in this business segment.

Apart from that, the Group is also confident with the growth of the eConfirm.my platform, which is now the Malaysia's leading industry-wide bank confirmation platform that is in long-term exclusive collaboration with the Malaysia Institute of Accountants ("MIA"). The volume of the confirmation transactions is expected to increase significantly with the growing participation of auditors and major banks.



NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

33. COVID-19 Impact (Cont'd)

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group has therefore considered the impact of the COVID-19 pandemic across its business operations and taken the necessary precautions and provisions where necessary. The Group will also continue to actively monitor and manage its finds and operations to minimise any impact arising from the COVID-19 pandemic. Based on the assessment, the Group has sufficient cash flows to meet its liquidity needs in the next 12 months. However, there can be no assurance that the COVID-19 pandemic can be effectively controlled and could persist for a substantial period, and this may materially and adversely affect the business operations and financial performance of the Group.

34. Comparative Information

- (a) The financial statements of the Group and of the Company for the financial year ended 31 December 2020 were audited by another firm of Chartered Accountants.
- (b) Certain comparatives were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2020.

35. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2022.

LIST OF PROPERTIES

No	Title Details/ Postal Address	Description of property / Existing use	Built-up Area / Land Area (Sf)	Approximate Age of Building (Years)	Tenure	Audited Net Book Value as at 31.12.2021 RM	Date of Acquisition
1	No. 101, 101A, 101B & 101C Persiaran Pegaga Taman Bayu Perdana 41200 Klang Selangor Darul Ehsan	Office Lot	1,496	26 years	Freehold	1,146,167	15 December 2015
2	No. 103, 103A, 103B & 103C Persiaran Pegaga Taman Bayu Perdana 41200 Klang Selangor Darul Ehsan	Office Lot	1,496	26 years	Freehold	1,056,000	15 December 2015



ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2022

Total Number of Issued Shares	:	1,127,557,360 (including 45,742,500 treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	% @	No. of Shares	% @
Less than 100	15	0.450	247	0.000
100 to 1,000	313	9.385	137,908	0.013
1,001 to 10,000	868	26.027	4,925,105	0.455
10,001 to 100,000	1,585	47.526	58,753,600	5.431
100,001 to 54,090,742*	550	16.492	657,109,700	60.741
54,090,743 and above**	4	0.120	360,888,300	33.360
TOTAL	3,335	100	1,081,814,860	100

Notes:

@ excluding a total of 45,742,500 ordinary shares bought back by the Company and retained as treasury shares as at 1 April 2022.

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Shareholdings

No.	Name	Direct Interest	No. of Ordinary Shares % Indirect Interest	%
1.	Datuk Wira Rahadian Mahmud bin Mohammad Khalil	4,500,000	0.416	-
2.	Toh Hong Chye	159,888,300	14.780	126,000,000*
3.	Yong Mai Fang	21,300,000	1.969	126,000,000*
4.	Wong Ngai Peow	10,213,500	0.944	-
5.	Datuk Justin Lim Hwa Tat	-	-	-
6.	Tiew Chee Ming	-	-	-

Note:

* Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Richmond Virginia Tobacco Sdn. Bhd.

List of Substantial Shareholders

No.	Name	Direct Interest	No. of Ordinary Shares % Indirect Interest	%
1.	Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	11.647	-
2.	Toh Hong Chye	159,888,300	14.780	126,000,000*
3.	Pelaburan Mara Berhad	75,000,000	6.933	-
4.	Yong Mai Fang	21,300,000	1.969	126,000,000*

Note:

* Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Richmond Virginia Tobacco Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2022 (CONT'D)

Thirty (30) Largest Shareholders

No.	Name	No. of Shares	%
1.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. RICHMOND VIRGINIA TOBACCO SDN. BHD.	126,000,000	11.647
2.	RHB NOMINEES (TEMPATAN) SDN. BHD. TOH HONG CHYE	99,888,300	9.233
3.	PELABURAN MARA BERHAD	75,000,000	6.933
4.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TOH HONG CHYE	60,000,000	5.546
5.	TAN YEE BOON	51,000,000	4.714
6.	TENGGU PUTERI ZAINAH BINTI TENGGU ESKANDAR	46,500,000	4.298
7.	ARSYAN BIN ISMAIL	35,000,000	3.235
8.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG PEI CHEEN	33,000,000	3.050
9.	LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	30,000,000	2.773
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD DAVID LAI & TAN SERVICES SDN. BHD.	30,000,000	2.773
11.	TAN VIN SHYAN	30,000,000	2.773
12.	YONG MAI FANG	21,300,000	1.969
13.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIAW TZE SHUNG @ RICHARD (PB)	21,100,000	1.941
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEN SOON AI	15,312,900	1.415
15.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT TAN SENG CHYE	12,474,000	1.153
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	8,639,800	0.799
17.	CHIONG MIAW THUAN	8,550,000	0.790
18.	WONG NGAI PEOW	7,500,000	0.693
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	7,339,100	0.678
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAW TZE SHUNG @ RICHARD (E-KKU)	7,007,400	0.648
21.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JEE TAI CHEW (021)	6,500,000	0.601
22.	MOHAMED AL AMIN BIN ABDUL MAJID	6,200,000	0.573
23.	BASKARAN A/L GOVINDA NAIR	6,000,000	0.555
24.	CHIA GEK LIANG	6,000,000	0.555
25.	CHIN PAK LOONG	6,000,000	0.555
26.	CHEW SUN NOI	5,610,000	0.519
27.	TAN CHOON KIAT	5,450,000	0.504
28.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR (SMART)	5,400,000	0.499
29.	LOH MAY ANN	5,148,900	0.476
30.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAHADIAN MAHMUD BIN MOHAMMAD KHALIL	4,500,000	0.416



ANALYSIS OF WARRANT A HOLDINGS AS AT 1 APRIL 2022

Number of Warrants in issue	: 323,123,300
Exercise price of the warrants	: RM0.04
Expiry date of warrants	: 23 December 2024
Rights of Warrants Holder	: The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

Distribution of Warrant Holders

Size of Warrant Holdings	No. of Warrants Holders	% of Warrants Holders	No. of Warrants	%
Less than 100	2	0.480	15	0.000
100 to 1,000	18	4.317	7,285	0.002
1,001 to 10,000	40	9.592	234,300	0.073
10,001 to 100,000	203	48.681	9,054,100	2.802
100,001 to 16,156,164*	152	36.451	143,019,900	44.262
16,156,165 and above **	2	0.480	170,807,700	52.861
Total	417	100	323,123,300	100

Notes:

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Warrant Holdings

No.	Name	Direct Interest	No. of Warrants held % Indirect Interest	%
1.	Datuk Wira Rahadian Mahmud bin Mohammad Khalil	-	-	-
2.	Toh Hong Chye	12,750,000	3.946	-
3.	Wong Ngai Peow	-	-	-
4.	Yong Mai fang	-	-	-
5.	Datuk Justin Lim Hwa Tat	-	-	-
6.	Tiew Chee Ming	-	-	-

ANALYSIS OF WARRANT A HOLDINGS AS AT 1 APRIL 2022 (CONT'D)

Thirty (30) Largest Warrant Holders

No.	Name	No. of Warrants	%
1.	FONG POH CHEE	97,784,100	30.262
2.	LEE SEE YANG	73,023,600	22.599
3.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. TAN CHIN HOONG	13,074,900	4.046
4.	RHB NOMINEES (TEMPATAN) SDN. BHD. TOH HONG CHYE	12,750,000	3.946
5.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH BENG DE @ GHU BENG DE (CCTS)	9,796,000	3.032
6.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. LIM SIEW BOEY	9,734,400	3.013
7.	HO YI JING	5,400,000	1.671
8.	LIM CHEE SEONG	4,815,000	1.490
9.	TAN SEI NEE	4,737,600	1.466
10.	FONG KOK LEONG	3,856,800	1.194
11.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEN SOON AI	3,000,000	0.928
12.	WONG KHEE BIN	3,000,000	0.928
13.	WONG OOI LENG	3,000,000	0.928
14.	TEE KIAM LOOW	2,490,000	0.771
15.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT TAN SENG CHYE	2,400,000	0.743
16.	THOR POH KEOW	2,259,300	0.699
17.	LIOW SUE LING	2,050,000	0.634
18.	WONG CHAU FONG	1,650,000	0.511
19.	TAN YEE BOON	1,647,300	0.510
20.	KOON CHING CHAI @ JIMMY	1,590,000	0.492
21.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN CHEN FAH (MY4274)	1,538,500	0.476
22.	GOH BENG DE @ GHU BENG DE	1,515,000	0.469
23.	TAN KOK SING	1,410,000	0.436
24.	LIM SIEW BOEY	1,371,000	0.424
25.	TAN KOK SING	1,320,000	0.409
26.	CHUA LYE PING	1,300,000	0.402
27.	ONG YOKE MENG	1,200,000	0.371
28.	MUHAMMAD SYAHMI BIN MD NAZIR	1,137,300	0.352
29.	LOO FOOI WAH	1,122,500	0.347
30.	TAN CHU CHIN	1,074,000	0.332



ANALYSIS OF WARRANT B HOLDINGS AS AT 1 APRIL 2022

Number of Warrants in issue	: 106,920,742
Exercise price of the warrants	: RM0.135
Expiry date of warrants	: 17 June 2024
Rights of Warrants Holder	: The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

Distribution of Warrant Holders

Size of Warrant Holdings	No. of Warrants Holders	% of Warrants Holders	No. of Warrants	%
Less than 100	392	14.715	16,798	0.016
100 to 1,000	662	24.850	328,535	0.307
1,001 to 10,000	1,024	38.438	3,713,039	3.473
10,001 to 100,000	431	16.179	16,682,630	15.603
100,001 to 5,346,037*	153	5.743	54,399,540	50.878
5,346,038 and above **	2	0.075	31,780,200	29.723
TOTAL	2,664	100	106,920,742	100

Notes:

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Warrant Holdings

No.	Name	Direct Interest	No. of Warrants held % Indirect Interest	%
1.	Datuk Wira Rahadian Mahmud bin Mohammad Khalil	450,000	0.421	-
2.	Toh Hong Chye	-	-	-
3.	Wong Ngai Peow	-	-	-
4.	Yong Mai Fang	-	-	-
5.	Datuk Justin Lim Hwa Tat	-	-	-
6.	Tiew Chee Ming	-	-	-

ANALYSIS OF WARRANT B HOLDINGS AS AT 1 APRIL 2022 (CONT'D)

Thirty (30) Largest Warrant Holders

No.	Name	No. of Warrants	%
1.	SEIK THYE KONG	26,332,300	24.628
2.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG ENG CIK (E-SGM)	5,447,900	5.095
3.	JLLION CAPITAL SDN. BHD.	1,708,300	1.598
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	1,626,200	1.521
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEN SOON AI	1,500,330	1.403
6.	LMSI SDN. BHD.	1,500,000	1.403
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIAW TZE SHUNG @ RICHARD (PB)	1,350,000	1.263
8.	CHEONG YEEN EE	1,300,000	1.216
9.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT TAN SENG CHYE	1,247,400	1.167
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEH SIN GUAN	1,160,000	1.085
11.	AW GUAH SIN	1,000,000	0.935
12.	KENANGA NOMINEES (TEMPATAN) SDN BHD GAN BOON GUAT (EM1-P88)	862,700	0.807
13.	CH'NG WAI LOONG	850,000	0.795
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NEO CHIEW YUEH	830,800	0.777
15.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	814,080	0.761
16.	LO HONG CHE	700,000	0.655
17.	YAP POT LIEONG	700,000	0.655
18.	WONG KWOK WAH	656,300	0.614
19.	LAI THIAM POH	650,500	0.608
20.	GOH YEH WEI @ GHO YEH WEI	636,000	0.595
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAW TZE SHUNG @ RICHARD (E-KKU)	616,040	0.576
22.	BASKARAN A/L GOVINDA NAIR	600,000	0.561
23.	CHIA GEK LIANG	600,000	0.561
24.	CHIN PAK LOONG	600,000	0.561
25.	CHUI PO YEE	600,000	0.561
26.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR TAN LEONG HENG	600,000	0.561
27.	CHOONG KIEN HOW	583,200	0.545
28.	CHEW SUN NOI	561,000	0.525
29.	LOH MAY ANN	514,890	0.482
30.	LAU SIEW HUNG	500,000	0.468



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("18th AGM") of AppAsia Berhad ("Company") will be conducted virtually from the broadcast venue at 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 3 June 2022 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

Ordinary Business:

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with Reports of the Directors' and the Auditors' thereon. | Please refer to Explanatory Note 1 |
| 2. To re-elect Toh Hong Chye as Director in accordance with Clause 105 of the Constitution of the Company. | Ordinary Resolution 1 |
| 3. To re-elect Datuk Wira Rahadian Mahmud bin Mohammad Khalil as Director in accordance with Clause 105 of the Constitution of the Company. | Ordinary Resolution 2 |
| 4. To re-elect Datuk Justin Lim Hwa Tat as Director in accordance with Clause 107 of the Constitution of the Company. | Ordinary Resolution 3 |
| 5. To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM350,000.00 per annum until the next Annual General Meeting of the Company. | Ordinary Resolution 4 |
| 6. To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

Special Business:

To consider and, if thought fit, to pass the following resolutions:

- | | |
|--|------------------------------|
| 7. AUTHORITY UNDER SECTION 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS | Ordinary Resolution 6 |
|--|------------------------------|

"THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS MANDATE")

Ordinary Resolution 7

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**AppAsia Group**") to enter into all arrangements and/or transactions involving the interest of Directors, major shareholders or persons connected with the Directors and/or major shareholders of AppAsia Group as specified in the Circular to Shareholders dated 29 April 2022 provided that such transactions are:

- (a) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- (b) necessary for the day-to-day operations; and
- (c) not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders Mandate."

9. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

Ordinary Resolution 8

"THAT subject to the Companies Act 2016, the provisions of the Constitution of the Company, the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (a) the aggregate number of shares purchased or held as treasury shares does not exceed ten per centum (10%) of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- (c) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting; whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

10. **PROPOSED GRANT OF SHARE ISSUANCE SCHEME ("SIS") OPTIONS TO DATUK JUSTIN LIM HWA TAT**

Ordinary Resolution 9

"THAT the Directors be and are hereby authorised to, from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-laws of the SIS, the Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time throughout the duration of the SIS, offer and grant to Datuk Justin Lim Hwa Tat, being the Independent Non-Executive Director of the Company, SIS Options to subscribe for the Company's Shares under the SIS, provided that not more than 10% of the total number of SIS Options shall be allocated to him, as long as he either singly or collectively through persons connected to him holds 20% or more of the total number of issued shares of the Company (excluding treasury shares)."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

11. PROPOSED GRANT OF SIS OPTIONS TO TIEW CHEE MING

Ordinary Resolution 10

"THAT the Directors be and are hereby authorised to, from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-laws of the SIS, the Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time throughout the duration of the SIS, offer and grant to Tiew Chee Ming, being the Independent Non-Executive Director of the Company, SIS Options to subscribe for the Company's Shares under the SIS, provided that not more than 10% of the total number of SIS Options shall be allocated to him, as long as he either singly or collectively through persons connected to him holds 20% or more of the total number of issued shares of the Company (excluding treasury shares)."

12. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)
Company Secretary

Kuala Lumpur
Date: 29 April 2022

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Items 2, 3 and 4 of the Agenda

The Nomination Committee ("NC") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election.

Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2021, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on his fitness and propriety as well as independence, where applicable.

The Board endorsed the NC's recommendation that the Directors who retire in accordance with Clauses 105 and 107 of the Constitution, namely, Toh Hong Chye, Datuk Wira Rahadian Mahmud bin Mohammad Khalil and Datuk Justin Lim Hua Tat are eligible to stand for re-election. These three (3) retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability on their re-election at the relevant Board meetings. The profiles of these Directors are set out in the Company's Annual Report for the financial year ended 31 December 2021.

The retiring Directors will abstain from voting on the resolution in respect of their re-election at the 18th AGM.

3. Item 7 of the Agenda

The Company had, during its Seventeenth Annual General Meeting held on 18 June 2021, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Companies Act 2016. The Company did not issue any shares pursuant to this mandate obtained.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

3. Item 7 of the Agenda (Cont'd)

The Ordinary Resolution 6 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Companies Act 2016. Bursa Malaysia Securities Berhad ("**Bursa Securities**") had via their letter dated 23 December 2021 granted an extension to the temporary relief measures, amongst others, listed corporations are allowed to seek a higher general mandate under Rule 6.04 of the ACE Market Listing Requirements of not more than 20% of the total number of issued shares for issue of new securities ("**20% General Mandate**"), provided that the following are being complied with:

- (i) procure shareholders' approval for the 20% General Mandate at a general meeting; and
- (ii) complies with all relevant applicable legal requirements, including its Constitution or relevant constituent document.

This 20% General Mandate may be utilised by listed corporations to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

The Board of Directors, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. This 20% General Mandate will provide flexibility for the Company for fund raising and enable the Company, should it required to do so, to meets its funding requirements for working capital or strategic development of the Group and operational expenditure, expeditiously and efficiently. This would eliminate any delay arising from and cost involved in convening a separate general meeting to obtain approval of the shareholders for such issuance of shares during this challenging period. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s) and/or working capital. The Directors of the Company did not allot or issue ordinary shares pursuant to the authority given by its shareholders at the previous Annual General Meeting.

4. Item 8 of the Agenda

The proposed Ordinary Resolution 7, if passed, will enable Company and its subsidiaries to enter into recurrent transactions involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

The detailed text on Ordinary Resolution 7 is included in the Circular to Shareholders dated 29 April 2022.

5. Item 9 of the Agenda

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the ACE Market Listing Requirements by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company. Further details are set out in the Circular to Shareholders dated 29 April 2022.

6. Items 10 and 11 of the Agenda

The SIS was implemented on 13 March 2015 following the shareholders' approval obtained at the Extraordinary General Meeting of the Company held on 15 November 2014.

The proposed Ordinary Resolutions 9 and 10 if passed, will provide flexibility to the Directors to grant Datuk Justin Lim Hwa Tat and Tiew Chee Ming, the Independent Non-Executive Directors of the Company, SIS Options to subscribe for new shares, subject to the By-Laws of the SIS. The Board is also authorised to allot and issue the corresponding number of new shares of the Company arising from the exercise of the SIS Options that may be granted to them under the SIS.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. The 18th AGM of the Company will be conducted virtually from the broadcast venue at 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 3 June 2022 at 11.00 a.m. or at any adjournment thereof. Shareholders of the Company are required to register for the 18th AGM not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Guide).**
2. A member of the Company who is entitled to attend, speak and vote at this 18th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
3. Where a member appoints more than one (1) proxy to attend and vote at the same 18th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
5. 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.

6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time appointed for holding the 18th AGM (no later than Wednesday, 1 June 2022 at 11.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

Alternatively, individual shareholders may choose to submit an electronic Proxy Form using the RPV facilities at <https://agm.digerati.com.my/Appasia-online> or e-mail to AppAsia_helpdesk@digerati.com.my, no later than Wednesday, 1 June 2022 at 11.00 a.m. or at any adjournment of the virtual meeting. Please refer to the Administrative Guide to Shareholders for the procedures to submit the electronic proxy form.

8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 30 May 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 18th AGM.
10. Any alteration in the Proxy Form must be initialed.
11. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 18th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 18th 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 the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 18th 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) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands,

**APPASIA BERHAD**[Registration No. 200401005180 (643683-U)]
(Incorporated in Malaysia)**ADMINISTRATIVE GUIDE FOR THE VIRTUAL EIGHTEENTH ANNUAL GENERAL MEETING**

Type of General Meeting	: Eighteenth General Meeting ("18th AGM")
Date	: Friday, 3 June 2022
Time	: 11.00 a.m. or at any adjournment thereof
Broadcast Venue	: 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia

In light of the COVID-19 outbreak and in the best interest of public health and the health and safety of our shareholders, Board of Directors and employees whilst adhering to the Guidance and Frequently Asked Questions of the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, AppAsia Berhad's ("**AppAsia**" or the "**Company**") 18th AGM will be held virtually through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided via Digerati Technologies Sdn. Bhd. at <https://agm.digerati.com.my/Appasia-online>.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members will not be allowed to be physically present at the 18th AGM in person at the Broadcast Venue on the day of the meeting.


Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY

Shareholders whose names appear on the Record of Depositors ("ROD") as at 30 May 2022 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/ the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV

Participants who wish to participate the 18th AGM remotely using RPV is required to follow the following procedures:

Step	Action	Procedures
A	Register Online 	<ol style="list-style-type: none"> 1) Access the website at https://agm.digerati.com.my/Appasia-online 2) Click on "New? Register Here" to sign up as a new user. 3) Complete the registration form and upload a copy of your MyKAD (front and back) or passport and click on "Submit". 4) You need to verify your email to complete the registration. (Please check your spam mailbox if you do not receive the email) 5) You will receive email upon successful or rejected registration. <p>Note: If you are already a registered user, you may skip this step.</p>

Step	Action	Procedures
B	To request for RPV	<p>Individual Members</p> <ol style="list-style-type: none"> 1) Login to https://agm.digerati.com.my/Appasia-online using your ID and password registered via step A. 2) Select "AppAsia 18th AGM". 3) Read and agree to the Terms & Conditions then confirm the declaration. 4) Complete and submit the request form, you may also appoint proxy (ies) in the request form. 5) You may pose your question, if any, to the Chairman/Board in the request form. <p><u>Corporate Shareholders</u> Write in to AppAsia_helpdesk@digerati.com.my by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate representative or Proxy Form to submit the request.</p> <p><u>Authorised Nominee and Exempt Authorised Nominee</u> Write in to AppAsia_helpdesk@digerati.com.my by providing the name of Member, CDS Account Number accompanied with the Proxy Form to submit the request.</p> <ol style="list-style-type: none"> 1) Upon system verification against the 18th AGM's ROD as at 30 May 2022, you will receive an e-mail upon approval or rejection of RPV. 2) In the case of approval the following links would be provided in the e-mail: <ol style="list-style-type: none"> a. Broadcast Link b. Polling Form Link
C	On the day of 18th AGM	<ol style="list-style-type: none"> 1) Access to the Broadcast and Polling Form through the link provided in the e-mail or website. 2) If you have any question to the Board of Directors, you may use the Q&A section to pose your question. 3) Submit your vote within a specific period of time once the Chairman announces that the voting is open. 4) Voting will be closed upon the expiry of the voting period. 5) Broadcast will be terminated upon the announcement of the poll result by the Chairman.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 18th AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this 18th AGM.

Enquiry

If you have any enquiry or require any assistance before or during the 18th AGM, please contact the following officers during office hours (Monday to Friday):

Digerati Technologies Sdn. Bhd.

Name : Alex Kong
 Telephone : +60 11-6338 8316
 Email : AppAsia_helpdesk@digerati.com.my

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PROXY FORM



APPASIA BERHAD
[Registration No. 200401005180 (643683-U)]
(Incorporated in Malaysia)

Number of Shares Held	
CDS Account No.	

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____

being a member/ members AppAsia Berhad ("AppAsia" or the "Company") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting ("18th AGM") of the Company will be conducted virtually from the broadcast venue at 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 3 June 2022 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 18th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 18th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
	Ordinary Business				
Ordinary Resolution 1	To re-elect Toh Hong Chye				
Ordinary Resolution 2	To re-elect Datuk Wira Rahadian Mahmud bin Mohammad Khalil				
Ordinary Resolution 3	To re-elect Datuk Justin Lim Hwa Tat				
Ordinary Resolution 4	To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM350,000.00 per annum until the next Annual General Meeting of the Company.				
Ordinary Resolution 5	To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
Ordinary Resolution 6	To authorise the Directors to allot and issue shares or grant rights pursuant to Section 76 of the Companies Act 2016				
Ordinary Resolution 7	Proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
Ordinary Resolution 8	Proposed renewal of Share Buy-Back Authority				
Ordinary Resolution 9	Proposed grant of Share Issuance Scheme Options to Datuk Justin Lim Hwa Tat				
Ordinary Resolution 10	Proposed grant of Share Issuance Scheme Options to Tiew Chee Ming				

Dated this _____ day of _____ 2022

Signature / Common Seal of Shareholder

Contact No: _____

Notes:

1. The 18th AGM of the Company will be conducted virtually from the broadcast venue at 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 3 June 2022 at 11.00 a.m. or at any adjournment thereof. Shareholders of the Company are required to register for the 18th AGM not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Guide).**
2. A member of the Company who is entitled to attend, speak and vote at this 18th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
3. Where a member appoints more than one (1) proxy to attend and vote at the same 18th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
5. 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.
6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time appointed for holding the 18th AGM (no later than Wednesday, 1 June 2022 at 11.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Alternatively, individual shareholders may choose to submit an electronic Proxy Form using the RPV facilities at <https://agm.digerati.com.my/Appasia-online> or e-mail to AppAsia_helpdesk@digerati.com.my, no later than Wednesday, 1 June 2022 at 11.00 a.m. or at any adjournment of the virtual meeting. Please refer to the Administrative Guide to Shareholders for the procedures to submit the electronic proxy form.
8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 30 May 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 18th AGM.
10. Any alteration in the Proxy Form must be initialed.
11. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 18th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 18th 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 the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 18th 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) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

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**Affix
Stamp**

Boardroom Share Registrars Sdn. Bhd.,

Share Registrar of

APPASIA BERHAD [Registration No. 200401005180 (643683-U)]
Ground Floor or 11th Floor, Menara Symphony,
No. 5 Jalan Prof Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

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CENTERPOINT SEREMBAN



Family Bundle

RM 63

(SERVES 4 PAX)

2 X CHICKEN KEBAB
2 X BEEF KEBAB
4 X FRIES
4 X DRINKS



EXPERIENCE THE LIFESTYLE

Centerpoint Seremban is a new exciting retail and lifestyle mall designed to provide great exposure for retailers and convenience to shoppers, Centerpoint Seremban facilitates multiple vehicular ingress/egress with two drop-off points to ensure a hassle-free entry to the mall.

SHOPPING REDESICOVERED

Centerpoint Seremban is strategically located in the central business district of Seremban in one of the most vibrant hubs of the city, and is also the only shopping mall in Ampangan. It's an exciting place for the whole family to shop.

- ✓ Entertainment
- ✓ Lifestyle
- ✓ Leisure
- ✓ Dining





LEASING INQUIRIES:

+60 111 9300 000



1-40-2, Menara Bangkok Bank,
Berjaya Central Park, No. 105 Jalan Ampang,
50450, Kuala Lumpur.
Tel: +603-2181 3553
Email: info@pegasusheights.com



MALL ADDRESS:

Centerpoint Seremban,
33, Jalan Dato Siamang Gagap,
Betaria Business Centre,
70100 Seremban, Negeri Sembilan.
Tel: +606-763 9889 | Fax: +606-763 9998
Email: info@centerpointseremban.com



(Registration No. 200401005180 (643683-U))

1-40-1, Menara Bangkok Bank, Berjaya Central Park,
No. 105 Jalan Ampang, 50450 Kuala Lumpur.

Tel: +603-2181 3666

Email: info@appasia.com

www.appasia.com