

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)
<hr/>		
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:

	Number of ordinary shares				At 31.12.2021
	At 1.1.2021	Share split adjustment	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

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

	Number of Warrants B				At 31.12.2021
	At 1.1.2021	Share split adjustment	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)	-

	Number of options over ordinary shares				At 31.12.2021
	At 1.1.2021	Share split adjustment	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 <i>MFRS 9 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

	Note	Group		Company	
		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

Group	Note	Attributable to the Owners of the Parent					Total RM	Non- Controlling Interest RM	Total Equity RM	
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM				(Accumulated Losses)/ Retained earnings RM
At 1 January 2021		28,926,952	(991,418)	17,959,698	(17,959,698)	708,540	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	-	-	-	-	-	-	-	14,700	14,700
Exercise of SIS options	14	382,950	-	-	-	(108,450)	-	274,500	-	274,500
Conversion of Warrants	14	1,417,969	-	(1,695,139)	1,695,139	-	-	1,417,969	-	1,417,969
Shares repurchased	15	-	(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	(108,450)	-	(4,489,813)	14,700	(4,475,113)
At 31 December 2021		30,727,871	(7,173,700)	16,264,559	(16,264,559)	600,090	(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)

Group	Note	Attributable to the Owners of the Parent		Non-Distributable			Share Issuance Scheme		Total RM	Non-Controlling Interest RM	Total Equity RM
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Option Reserve RM	(Accumulated Losses)/ Retained earnings RM				
At 1 January 2020		26,463,256	(317,120)	20,489,250	(20,489,250)	789,516		(398,593)	26,537,059	-	26,537,059
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		-	-	-	-	-	-	678,864	678,864	(70,170)	608,694
Transactions with owners:											
Capital contribution from non-controlling interests	14	-	-	-	-	-	-	-	-	300	300
Exercise of SIS options	14	285,936	-	-	-	(80,976)	-	-	204,960	-	204,960
Conversion of Warrants	14	2,177,760	-	(2,529,552)	2,529,552	-	-	-	2,177,760	-	2,177,760
Shares repurchased	15	-	(674,298)	-	-	-	-	-	(674,298)	-	(674,298)
Total transactions with owners		2,463,696	(674,298)	(2,529,552)	2,529,552	(80,976)	-	-	1,708,422	300	1,708,722
At 31 December 2020		28,926,952	(991,418)	17,959,698	(17,959,698)	708,540		280,271	28,924,345	(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						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 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		Company	
		2021 RM	2020 RM	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 E-confirmation 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 Cost	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
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)

	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company 2020 Cost						
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)
<hr/>	
At 31 December 2021	-
<hr/>	
Accumulated depreciation	
At 1 January 2021	87,043
Charge for the financial year	24,482
Disposals	(111,525)
<hr/>	
At 31 December 2021	-
<hr/>	
Carrying amount	
At 31 December 2021	-
<hr/>	
2020	
Cost	
At 1 January/At 31 December 2020	163,207
<hr/>	
Accumulated depreciation	
At 1 January 2020	54,402
Charge for the financial year	32,641
<hr/>	
At 31 December 2020	87,043
<hr/>	
Carrying amount	
At 31 December 2020	76,164
<hr/>	

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)
	16,318,670	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:

	Company	
	2021 RM	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	Group
	RM	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	Loss allowance	Net amount
	RM	RM	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

	Group		Company	
	2021 RM	2020 RM	2021 RM	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)
At 31 December	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

- (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 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

- (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.

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		Amount	
	2021 Units	2020 Units	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

	Note	2021 RM	Group 2020 RM	2021 RM	Company 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 RM	2020 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

	Group		Company	
	2021 RM	2020 RM	2021 RM	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
	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
	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
	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
<hr/>				
Total revenue from contracts with customers	3,866,914	68,371,528	1,225,524	73,463,966
<hr/>				
Geographical market:				
Malaysia	3,866,503	68,371,528	1,225,524	73,463,555
United States	247	-	-	247
Others	164	-	-	164
<hr/>				
Total revenue from contracts with customers	3,866,914	68,371,528	1,225,524	73,463,966
<hr/>				
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
<hr/>				
	4,437,214	68,819,641	207,111	73,463,966
<hr/>				

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
<hr/>				

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	Group	2020
	RM		RM
(Loss)/Profit attributable to owners of the Company	(320,250)		678,864
<hr/>			
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)		-
<hr/>			
Weighted average number of ordinary shares at 31 December	1,071,470,805		1,044,326,319
<hr/>			
Basic (loss)/earnings per share (in sen)	(0.03)		0.07
<hr/>			

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	Number of options over ordinary shares			
		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	2020
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests		
Rental of premises paid/payable	208,350	208,350
	Company	
	2021	2020
	RM	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	Group	2020
	RM		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:

		Revenue	
	2021		2020
	RM		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:

	2021	2020
	RM	RM
Group		
Fixed rate instrument		
Financial assets	7,074,693	1,486,734
Financial liabilities	(67,492)	(117,654)
	7,007,201	1,369,080
Company		
Fixed rate instrument		
Financial liabilities	-	(11,873)

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.