



ANNUAL REPORT
2021



***MOBILISING
MALAYSIA
AND BEYOND***

“Work hard, have fun
and make history.”

Jeff Bezos





VISION AND MISSION

MMAG is driven by a vision to lead the supply chain management business.

Our mission is to use entrepreneurship, creativity, technology, strategic partnerships and teamwork to Mobilise Business in Malaysia and beyond.

- We will provide high value-added courier, logistics, transportation and related services that customers want to use and come back to.
- We will empower our team with technology to deliver gratification to our customers with immediacy and security.
- We will mobilise people, get things going and keep things moving in these challenging times and into the future.
- We will be the first choice not only for supply chain management solutions, but also for career, partnership and investment opportunities.

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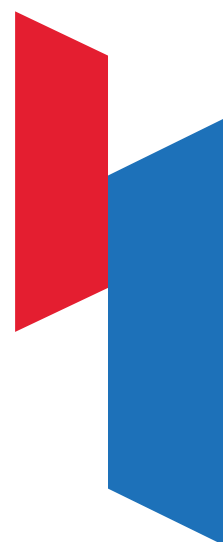
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BOARD OF DIRECTORS



**DATO' MOHAMMAD
HAMIDDAN BIN MARYANI**

Chairman
Independent Non-Executive
Director



**YM TENGKU FARITH
RITHAUDDEEN**

Deputy Chairman
Independent Non-Executive
Director



CHONG KOON MENG (JEFF)

Executive Director



KENNY KHOO CHUAN WAH

Executive Director



YEAP SAY WOI

Independent Non-Executive
Director



HWANG SIEW CHIEN

Independent Non-Executive
Director



WOO KAM WENG

Independent Non-Executive
Director



DATO' SOK ONE A/L ESEN

Independent Non-Executive
Director



CHAN SWEE YING

Non-Independent
Non-Executive Director



DATO' MOHAMMAD HAMIDDAN BIN MARYANI

Chairman

**Independent
Non-Executive
Director**

Nationality: **Malaysian** Age: **61**
Gender: **Male**

Date of Appointment as Director of
MMAG Holdings Berhad:
8 June 2021

Length of Service as Independent
Non-Executive Director:
0 year and 2 months

Attendance at Board Meeting
during the year:
Not applicable

CHAIRMAN'S PROFILE

Dato' Mohammad Hamiddan Bin Maryani started his career in 1983 as a Malaysian Custom enforcement officer with the Royal Customs and Excise Department in Johor Bahru and was promoted to various roles in Johor, Negeri Sembilan, Selangor and Kuala Lumpur involving the secretariat, investigation, industrial, acquisitions, revenue accounting, collection and other divisions between 1984 to 2020.

In 2020, Dato' Mohammad Hamiddan retired from the Royal Malaysian Customs Department ("RMCD") as the Customs Director of Johor. Throughout his 30 years career, he has received numerous excellence awards from Wilayah Persekutuan Kuala Lumpur's RMCD, Kuala Lumpur International Airport's RMCD and Johor's RMCD, amongst others.

In recognition of his service to the nation, he was conferred with several honours which includes Pingat Jasa Kebaktian, Negeri Sembilan (2003); Darjah Kebesaran Ahli Sultan Sharafuddin Idris Shah, Selangor (2013); Darjah Indera Mahkota Pahang, Pahang (2018) and Darjah Sultan Ibrahim Johor Yang Amat Disanjung Pangkat Ketiga Setia Mulia Sultan Ibrahim Johor, Johor (2018) which carries the title of "Dato".

He holds a Bachelor Degree with Honours in Literature from University Malaya ("UM").

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

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DEPUTY CHAIRMAN'S PROFILE

**Nomination Committee
(Chairman)**
**Remuneration Committee
(Member)**
**Audit Committee
(Member)**

Nationality: **Malaysian** Age: **50**
Gender: **Male**

Date of Appointment as
Director
of MMAG Holdings Berhad:
9 March 2021

Length of Service as
Independent Non-Executive
Director:
0 year and 5 months

Attendance at Board Meeting
during the year:
Attended 1 of 1 meeting

**YM TENGKU
FARITH
RITHAUDDEEN**

Deputy Chairman

**Independent
Non-Executive
Director**



YM Tengku Farith Rithauddeen is currently the Group Chief Executive Officer and Co-Founder of SKALI. In 2002, he was selected as one of the 100 Global Leaders for Tomorrow (GLT) by the World Economic Forum, Davos of Switzerland. In 2004, he was the first recipient of the Young Entrepreneur award by the Malay Chamber of Commerce, Malaysia and in 2006 was awarded the prestigious Eisenhower Fellowship for 2007 by the Eisenhower Foundation, USA. In 2008 he was awarded Most Outstanding Entrepreneur for 2008 by the Asia Pacific Entrepreneurs Award (APEA) Organization. In March 2012, he was awarded the BMW Stiftung Herbert Quandt Young Leaders. His latest recognition was a nomination by Top 10 of Malaysia Magazine for Top 10 Inspiring Technopreneurs in Malaysia.

His career began with Commerce International Merchant Bankers (CIMB) in the corporate finance division. He was a key team member in the Corporate Finance and Capital Market divisions. He has in-depth knowledge about corporate restructuring,

corporate financing and financial re-engineering. Throughout his career at CIMB, YM Tengku Farith established relationships with various investment bankers, analysts, researchers, venture capitalists and private investors and was involved in corporate advisory services for Penang Port, agencies under the Ministry of Rural Development and KPJ Healthcare Berhad.

He then moved on to Road Builder (M) Holdings Berhad and was responsible for its business development in property and infrastructure projects. At Road Builder, he was instrumental in securing numerous privatisation projects relating to property and infrastructure. He left Road Builder in year 1997.

YM Tengku Farith holds a Degree in Arts and Economics from the Carleton University Ottawa, Canada.

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

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHONG KOON MENG (JEFF)

Executive Director

Nationality: **Malaysian** Age: **55**
Gender: **Male**

Date of Appointment as Director
of MMAG Holdings Berhad:
15 July 2016

Length of Service as Executive
Director:
5 years and 0 month

Attendance at Board Meeting
during the year:
Attended 7 of 7 meetings



BOARD OF DIRECTORS' PROFILE

Jeff Chong joined MMAG in March 2015 and was appointed as an Executive Director on 15 July 2016. He is also the Chief Executive Officer of MMAG Digital Sdn. Bhd., a wholly-owned sub-subsidiary of MMAG since 1 March 2015 and Executive Director of Hong Seng Consolidated Berhad (formerly known as MSCM Holdings Berhad).

Mr. Chong introduced new business strategies and modelling, digital transformation, strategic partnerships and brand-building campaigns to transform MMAG into a full-fledged integrated supply chain management company to mobilise business in Malaysia and beyond.

He has over 25 years of corporate experience in the marketing and sales, product and communications fields; specialising in the telecommunications, device management and automotive sectors. He was the General Manager for the Small & Medium Enterprises business segment at Digi Telecommunications,

Vice President of Mobility and International Business and a member of the Senior Leadership Team at Maxis Berhad and Chief Sales and Distribution Officer at Ooredoo Myanmar.

Mr. Chong completed the Executive Programme/Education at Stanford University, USA and Stockholm School of Economics, Sweden. He holds a Master of Business Administration (MBA) from the Charles Sturt University, Australia and a Bachelor of Economics Degree, majoring in Statistical Economics from the National University of Malaysia ("UKM").

He holds 475,000 ordinary shares (direct), 300,000 irredeemable convertible preference shares (direct), and 71,208,500 ordinary shares (indirect) in the Company via his substantial interest in Marina Teguh Sdn. Bhd. as at the date of this report.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE cont'd

Nationality: **Malaysian** Age: **46**
Gender: **Male**

Date of Appointment as
Director
of MMAG Holdings Berhad:
16 November 2020

Length of Service as Executive
Director:
0 year and 9 months

Attendance at Board Meeting
during the year:
Attended 3 of 3 meetings

KENNY KHOW CHUAN WAH

Executive Director



Kenny Khow joined MMAG in October 2012 after working more than 13 years as an auditor with PricewaterhouseCooper Malaysia, including a two-year secondment to PricewaterhouseCoopers London.

Mr. Khow has extensive experience in the area of corporate exercises covering IPO, demerger of a listed entity, management and integration of two major companies in Malaysia, privatisation of a major listed entity, rights issue, issuance of debt securities, as well as the sale and leaseback of key assets. His other work experience includes financial due diligence, advisory, and numerous cross-border securities offering.

He also sits on the Board of Directors of Hong Seng Consolidated Berhad (formerly

known as MSCM Holdings Berhad) and KTG Berhad (formerly known as DWL Resources Berhad) as an Executive Director. As the Executive Director of the companies, in addition to overseeing Group's financial affairs including accounting, finance, tax and treasury, he also oversees human resources related matters and other administrative duties.

Mr. Khow holds a degree in Accounting and Finance (Distinction) from the University of Technology, Sydney. He is a member of the Malaysian Institute of Accountants and Certified Public Accountants Australia.

He holds 39,969,400 ordinary shares (direct) and 71,208,500 ordinary shares (indirect) in the Company via his substantial interest in Marina Teguh Sdn. Bhd. as at the date of this report.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khow Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YEAP
SAY WOIIndependent
Non-Executive
Director

**Audit Committee
(Chairman)**
**Nomination Committee
(Member)**
**Remuneration Committee
(Member)**

Nationality: **Malaysian** Age: **67**
Gender: **Male**

Date of Appointment as Director
of MMAG Holdings Berhad:
1 November 2018

Length of Service as Independent
Non-Executive Director:
2 years and 8 months

Attendance at Board Meeting
during the year:
Attended 7 of 7 meetings

BOARD OF DIRECTORS'
PROFILE Cont'd

Yeap Say Woi worked at the Renong Berhad's group of companies for 12 years. His last position was Head of Finance at Time Dotcom Berhad before retiring to take up the position as a lecturer in a local university. Prior to that, he was as a Finance Manager at a public listed company specialising in the manufacturing of cement and building materials. He also has 5 years working experience in an audit firm.

Mr. Yeap holds a Bachelor of Science Degree majoring in Mathematics. He is a Fellow Member of Chartered Institute of Management Accountants and a member of Malaysian Institute of Accountants.

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

Notes:**Other Information**

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE cont'd

**Remuneration Committee
(Chairlady)**
**Audit Committee
(Member)**
**Nomination Committee
(Member)**

Nationality: **Malaysian** Age: **61**
Gender: **Female**

Date of Appointment as
Director
of MMAG Holdings Berhad:
5 April 2019

Length of Service as
Independent Non-Executive
Director:
2 years and 3 months

Attendance at Board Meeting
during the year:
Attended 7 of 7 meetings

**HWANG
SIEW CHIEN**

**Independent
Non-Executive
Director**



Hwang Siew Chien commenced her banking career in 1979 with the former Pacific Bank Berhad (now part of the Malayan Banking Berhad Group) for closed to 22 years and subsequently with Maybank for another 17 years as Vice-President, Product Trade before she opted for early retirement in 2018.

Madam Hwang took charge of Maybank's regional trade business and overseas branches in South-East Asia, London, New York as well as affiliates in Vietnam and

Pakistan for 8 years. She was a trade specialist for more than three decades in financing supply chain and developing cross border trade structure and solutions. Her commercial banking experience ranged from operations to middle office to regional sales.

Madam Hwang holds a Masters in Business Administration from Charles Sturt University, Australia.

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

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

WOO KAM WENG

Independent Non-Executive Director



Nationality: **Malaysian** Age: **59**
Gender: **Male**

Date of Appointment as Director
of MMAG Holdings Berhad:
15 March 2021

Length of Service as Independent
Non-Executive Director:
0 year and 4 months

Attendance at Board Meeting
during the year:
Attended 1 of 1 meeting

BOARD OF DIRECTORS' PROFILE Cont'd

With more than 40 years of experience in the aviation ground handling industry, Woo Kam Weng had just retired from his last position as the Chief Executive Officer ("CEO") of POS Aviation Sdn. Bhd. in January 2021.

As the key management personnel of the aviation company, he played an instrumental role in developing the world's first Digital Free Trade Zone outside China, creating the roadmap for a regional logistics and e-commerce hub.

Mr. Woo led the company through the most successful period in its history, recording 3 highly profitable years as ground handler for 7 of the top 10 airlines in the world. He was the Asia-Pacific representative on the Board of Airport Services Association based in Geneva and headed the setup of Joint Venture companies between POS Aviation and other global players. He was also responsible for the management and operations of the subsidiary, POS Asia Cargo Express.

Prior to his position as the CEO, Mr. Woo served in various capacities which include the Head of Commercial Support, Head of Business Development & Integrated Logistics, and Aircraft & Engineering Manager of the company since 1997.

Mr. Woo holds a Diploma in Management from the Malaysian Institute of Management. He is an Associate Member of the Institute and was awarded the Bank Negara Gold Medal Winner in 1997 for his academic achievements at the Malaysian Institute of Management. In addition, he held a Basic License without Type Rating – Aeroplanes 2 and Jet Turbo Engines from the Malaysian Department of Civil Aviation and United Kingdom Civil Aviation Authority in 1986 and 1984 respectively.

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

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE cont'd

Nationality: **Malaysian**
Age: **63**
Gender: **Male**

Date of Appointment as
Director
of MMAG Holdings
Berhad:
12 April 2021

Length of Service as
Independent Non-
Executive Director:
0 year and 3 months

Attendance at Board
Meeting during the year:
Not applicable

**DATO' SOK ONE
A/L ESEN**

**Independent
Non-Executive
Director**



Dato' Sok One A/L ESEN started his career as an investigation officer under Anti-Corruption Agency which is now known as the Malaysian Anti-Corruption Commission ("MACC") in 1981, serving in various capacities and states including Perak, Kelantan and Sarawak.

He was transferred to the Kuala Lumpur Headquarters in 2005 and took on leading roles in the investigation division including Deputy Director of Intelligence Division, Deputy Director of Special Operations Division and Director of MACC in Negeri Sembilan.

Dato' Sok One led numerous investigations and special operations to curb bribery and corruption in both public and private sectors before retiring from the MACC as the Deputy Director of Special Operations with the rank of Deputy Commissioner in 2018.

In his 37-year career with the MACC, Dato' Sok One has worked closely with Independent Commission Against Corruption of Hong Kong ("ICAC"), National Anti-

Corruption Commission Thailand ("NACC"), Corrupt Practice Investigation Bureau of Singapore ("CPIB") and KAPIKA Indonesia in financial and money laundering investigation. He was also the pioneer of Anti-Money Laundering Act investigation in MACC and was assigned to Thailand, Sri Lanka, Czech Republic and the United States of America for training.

In recognition of his service to the nation, he was conferred with the honour of Darjah Indera Mahkota Pahang ("DIMP") from the Sultan of Pahang which carries the title of Dato' in 2015. He is now one of the directors of a security company known as Special Skills Security Services Sdn. Bhd. which provides various professional and protective security services. As the director, he is responsible for overseeing the operations and business development of the company.

Dato' Sok One holds a Degree in Social Science from the University Science of Malaysia ("USM") and Degree in Jurisprudence from the University of Malaya ("UM").

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

Notes: Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAN SWEE YING

**Non-Independent
Non-Executive
Director**

Nationality: **Malaysian** Age: **49**
Gender: **Female**

Date of Appointment as Director
of MMAG Holdings Berhad:
29 November 2017

Length of Service as Non-
Independent Non-Executive
Director:
3 years and 8 months

Attendance at Board Meeting
during the year:
Attended 7 of 7 meetings



BOARD OF DIRECTORS' PROFILE Cont'd

Chan Swee Ying joined MMAG in November 2017, bringing with her more than 20 years of working experience in the Information Technology ("IT") industry. She started her career with Oracle Malaysia in 1996 before moving on to DHL Asia Pacific IT department in year 2015 managing both local and regional projects.

She is also well experienced in the Human Resources field, having assumed the role of General Manager from 2010 to 2015 at an ICT group of companies. She also

assisted in developing business plans to secure financial support from the banking institutions for the company's growth.

Madam Chan is also Executive Director of Vortex Consolidated Berhad.

She holds a Degree in Computer Science from University Putra Malaysia ("UPM").

Madam Chan holds 271,624,800 ordinary shares as at the date of this report.

Notes:

Other Information

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- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

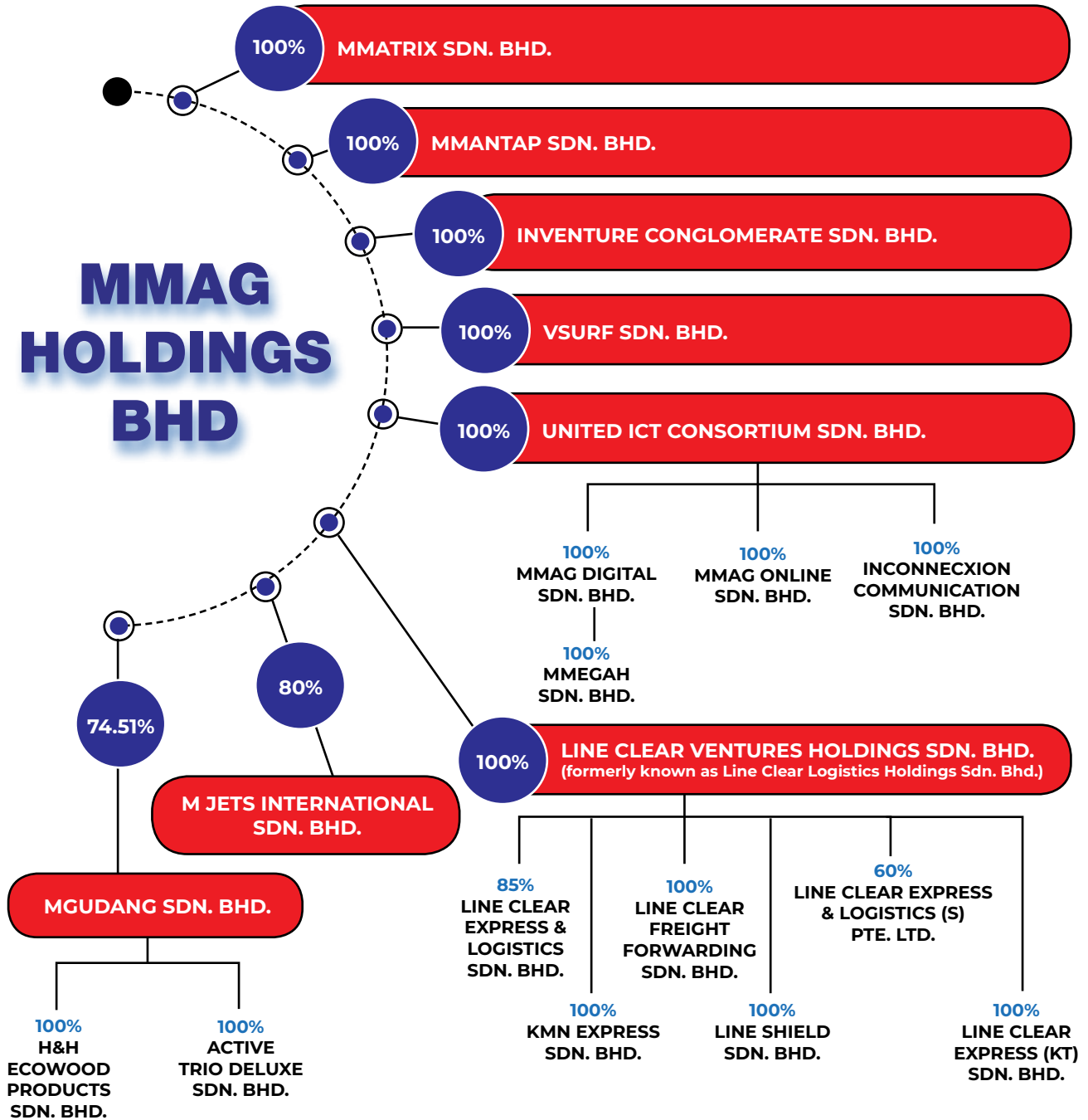
KEY SENIOR MANAGEMENT PERSONNEL'S PROFILE

The Key Senior Management Personnel are as follows:-

1. Chong Koon Meng
Executive Director
2. Kenny Khoo Chuan Wah
Executive Director

The profile of the key senior management personnel are outlined in their respective profile on page 7 and 8.

CORPORATE STRUCTURE





MMAG HOLDINGS BERHAD MOBILISING MALAYSIA AND BEYOND

MMAG started as an investment holding company and distributor of information technology products and ventured into supply chain management in 2016.

The Company leverages technology, big data analytics, e-payment systems and strategic partnerships to provide integrated and customised end-to-end supply chain management solutions at scale.

MMAG is driven by a vision to lead the supply chain management business.

We will use entrepreneurship, creativity, technology, strategic partnerships and teamwork to Mobilise Business in Malaysia and beyond.

- We will provide high value-added courier, logistics, transportation and related services that customers want to use and come back to.
- We will empower our team with technology to deliver gratification to our customers with immediacy and security.
- We will mobilise people, get things going and keep things moving in these challenging times and into the future.
- We will be the first choice not only for supply chain management solutions, but also for career, partnership and investment opportunities.





STRATEGIC PARTNERSHIPS

MMAG's sub-subsidiary company, Line Clear Express has strategic third party ("3PL") and fourth party ("4PL") logistics partnerships including contract procurement with high-value clients in the telco industry and IT sector.

In 2021, Line Clear Express teamed up with SF International, a leading integrated express logistics provider in China. Line Clear Express's nationwide integrated supply chain management expertise



combined with SF International's comprehensive global logistics solutions connect the dots to connect business in Malaysia to markets in Shanghai, Beijing, Guangdong, Kunming, Wuhan, Shenzhen, Hong Kong, Macau, Chennai, New York and beyond. From warehousing, picking-and-packing, tracking-and-tracing to last-mile delivery, this strategic partnership between Line Clear Express and SF International is the gateway to business with China and beyond.



GOING GLOBAL

In the same year, MMAG became a full-fledged integrated supply chain management company after its subsidiary company, M Jets International Sdn. Bhd. obtained the Air Operator Certificate ("AOC") from the Civil Aviation Authority of Malaysia to operate its Kargo Xpress air cargo logistics and chartered flight services.

Today, MMAG is a full-fledged integrated supply chain management company that provides first, mid and last-mile delivery services in Malaysia and across Asia with full connectivity by air, sea and land to mobilise business in Malaysia and beyond.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Mohammad Hamiddan Bin Maryani

Chairman
Independent Non-Executive Director

YM Tengku Farith Rithauddeen

Deputy Chairman
Independent Non-Executive Director

Chong Koon Meng (Jeff)

Executive Director

Kenny Khaw Chuan Wah

Executive Director

Yeap Say Woi

Independent Non-Executive Director

Hwang Siew Chien

Independent Non-Executive Director

Woo Kam Weng

Independent Non-Executive Director

Dato' Sok One A/I Esen

Independent Non-Executive Director

Chan Swee Ying

Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Yeap Say Woi

Member

Hwang Siew Chien

YM Tengku Farith Rithauddeen

REMUNERATION COMMITTEE

Chairlady

Hwang Siew Chien

Member

Yeap Say Woi

YM Tengku Farith Rithauddeen

NOMINATION COMMITTEE

Chairman

YM Tengku Farith Rithauddeen

Member

Yeap Say Woi

Hwang Siew Chien

COMPANY SECRETARY

Lim Seck Wah

(MAICSA 0799845)

(SSM PC No. 2020080000054)

PRINCIPAL PLACE OF BUSINESS

No. 3, Jalan TP2
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Subang Jaya
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Selangor Darul Ehsan

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BANKER

Alliance Bank Malaysia Berhad

CIMB Bank Berhad

Hong Leong Bank Berhad

Malayan Banking Berhad

OCBC Bank Berhad

Public Bank Berhad

RHB Bank Berhad

REGISTERED OFFICE AND SHARE REGISTRAR

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F +(603) 2732 5388

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W www.megacorp.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad

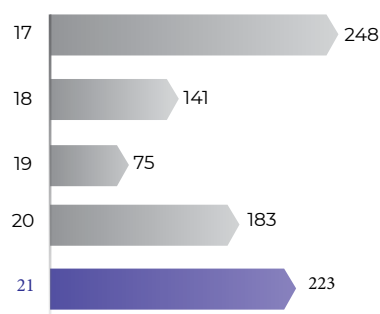
Stock name : MMAG

Stock code : 0034

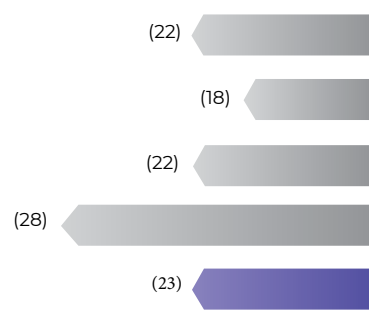
5-YEAR FINANCIAL HIGHLIGHTS

		2017	2018	2019	2020	2021
Results Of Operation						
Revenue	RM'000	247,972	141,184	75,094	182,541	222,795
LBITDA (Loss Before Interest, Taxes, Depreciation and Amortisation)	RM'000	(15,539)	(6,092)	(18,649)	(16,512)	(6,876)
Loss Before Taxation	RM'000	(21,561)	(17,697)	(22,283)	(28,072)	(22,904)
Loss After Taxation	RM'000	(21,549)	(17,703)	(22,286)	(28,075)	(23,048)
Net Loss Attributable To Equity Holders	RM'000	(21,430)	(18,021)	(22,176)	(27,880)	(23,096)
Financial Position						
Total Assets	RM'000	116,121	140,601	165,320	163,398	306,040
Total Borrowings	RM'000	16,974	9,940	18,919	36,222	48,731
Shareholders' Equity	RM'000	46,619	109,628	121,999	100,765	219,076
Financial Indicators						
Return On Equity	%	(46.0)	(16.4)	(18.2)	(27.7)	(10.5)
Return On Total Assets	%	(18.5)	(12.8)	(13.4)	(17.1)	(7.5)
Gearing Ratio	times	2.7	11.0	6.4	2.8	4.5
Interest Cover	times	(18.8)	(25.8)	(24.6)	(10.9)	(8.1)
Basic Loss Per Share	sen	(2.25)	(5.46)	(3.89)	(3.96)	(2.31)
Net Assets Per Share	sen	4.89	33.23	21.48	14.31	22.56
Share Price As At The Financial Year End	sen	17.00	17.00	22.50	19.50	28.00

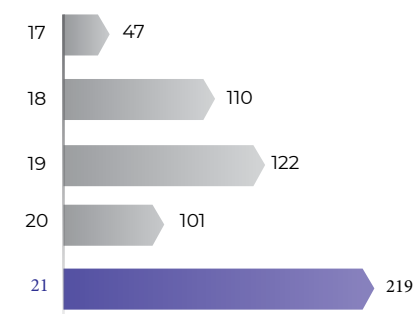
**Revenue
(RM'million)**



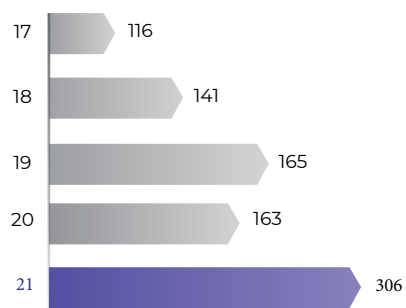
**Loss Before Taxation
(RM'million)**



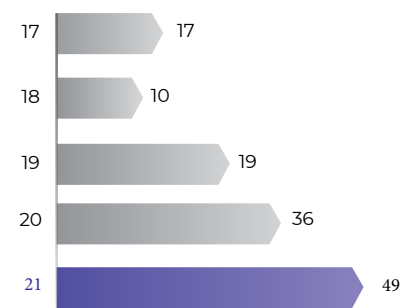
**Shareholders' Equity
(RM'million)**



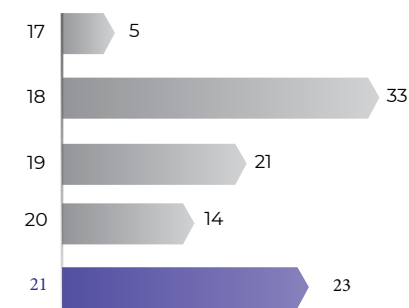
**Total Assets
(RM'million)**



**Total Borrowings
(RM'million)**



**Net Assets Per Share
(sen)**



MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF BUSINESS OPERATIONS

MMAG Holdings Berhad ("MMAG" or the "Company")

and its subsidiary companies (the "Group") is driven by a vision to lead the supply chain management business. Our mission is to use entrepreneurship, creativity, technology, strategic partnership and teamwork to mobilise businesses in Malaysia and beyond. The Group will provide high value-added courier, logistics, transportation and related services that customers want to use and come back to. MMAG will leverage on technology to deliver gratification to customers with immediacy and security. We will continue to mobilise our people, get things going and keep things moving in these challenging times and into the future. Ultimately, we want to become not only the first choice for supply chain management solutions, but also for career, partnership and investment opportunities.

After 6 years of relentlessly executing the transformation plans and Line Clear Express's rebranding exercise, the Group has equipped itself with the total logistics solutions that encompasses the business know-how, state-of-the-art technology, consumer-centric processes, fleet of vehicles and sizeable numbers of hubs, depots and stations nationwide. In addition, MMAG also provides the full suite of supply chain management services from 2PL to 4PL including procurement or contract. Line Clear Express has teamed up with SF International, a leading integrated express logistics provider in China for the international shipping business. This strategic partnership is the gateway to business with China and beyond. Combined with SF International's comprehensive global logistics solutions, this connects the dots from Malaysia to markets in Shanghai, Beijing, Guangdong, Wuhan, Shenzhen, Hong Kong, New York and more. Back home, MMAG's subsidiary company,

M Jets International Sdn. Bhd. ("MJets"), has obtained the Air Operator Certificate ("AOC") from the Civil Aviation Authority of Malaysia. This new milestone provides air cargo logistics and chartered flight services between Peninsular and East Malaysia and across Southeast Asia with full connectivity by air and by road.

The year 2021/2022 presents us with strong global and domestic headwinds due to the unprecedented Covid-19 pandemic. The Group is agile enough to adjust and navigate the new norms without neglecting the long-term growth plan. While the retail landscape continues to evolve with physical, online or virtual experiences, MMAG and its subsidiaries will innovate and adapt to the new "normal" in order to meet new customer expectations. Our supply chain management business model is here to connect the unconnected dots in the new retail environment.

ANALYSIS OF FINANCIAL RESULTS

The Group recorded revenue of RM222.79 million for the financial year ended 31 March 2021 ("FYE 2021") as compared to RM182.54 million in the previous financial year ended 31 March 2020 ("FYE 2020") which represents an increase of RM40.25 million (22.05%). The surge in revenue mainly contributed by Mobile & Fulfilment division which high demand was generated from 3PL and 4PL contracts with mobile operators.

The Group recorded a loss before tax ("LBT") of RM22.90 million for FYE 2021 as compared to LBT of RM28.07 million in FYE 2020. The improvement in LBT for FYE 2021

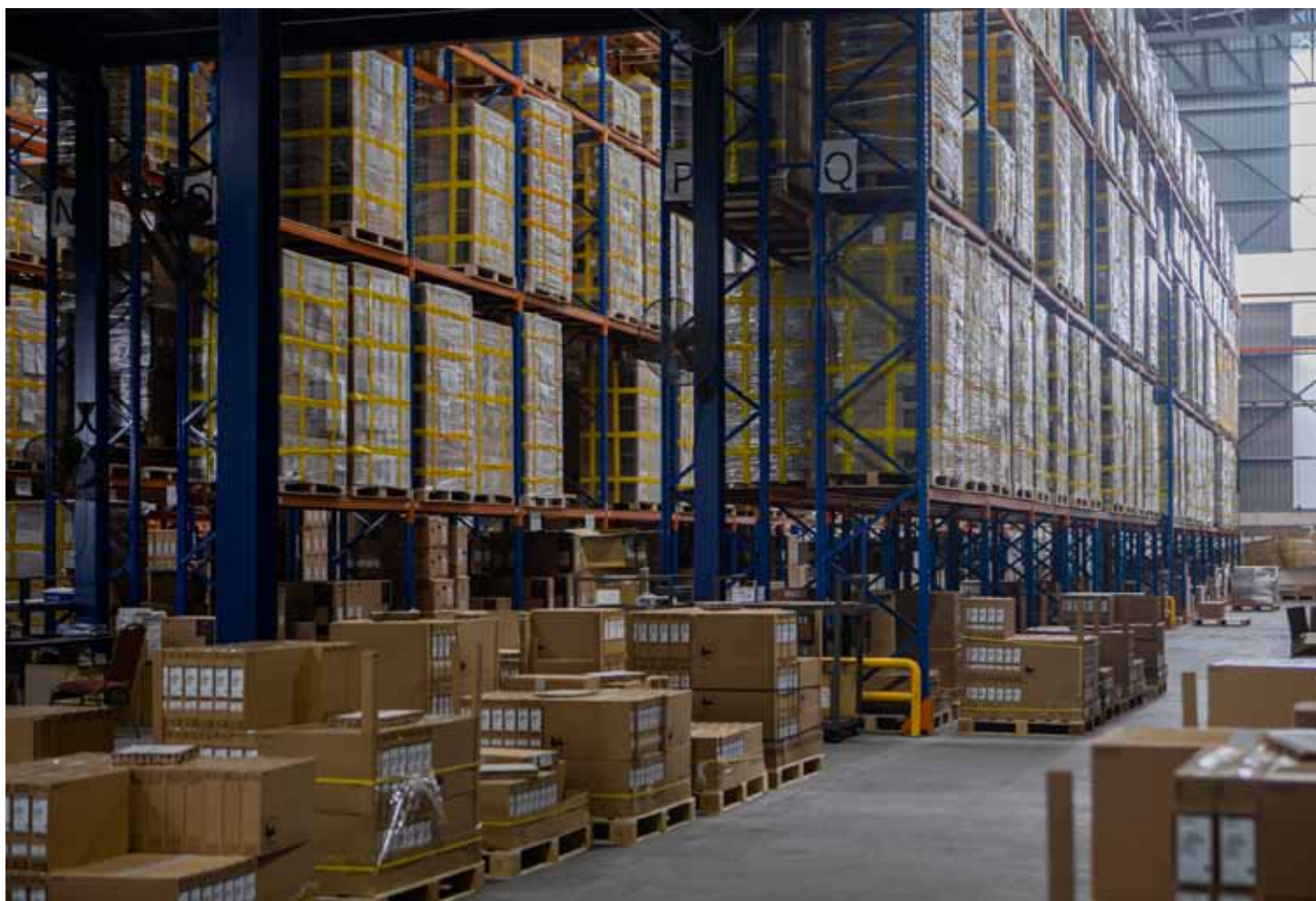
as compared to corresponding FYE 2020 mainly attributed to gain on disposal of an associate as well as higher profit generated from Mobile Devices and Fulfilment division in current financial year 2021.

RESULTS OF OPERATIONS

Revenues are generated through the respective divisions as follows:-

	2021 Revenue RM'000	2020 Revenue RM'000
Mobile & Fulfilment	180,372	156,192
Logistics Services	42,377	26,349

The Mobile & Fulfilment division is the largest division of revenue representing 80.96% of the Group's revenue in 2021 (2020: 85.57%). This division is mainly driven by the mobile devices distribution and services rendered as telecommunication operators' value adding partner. Mobile & Fulfilment division recorded a profit before taxation ("PBT") of RM3.23 million (2020: RM0.43 million) for FYE 2021. On top on the upsurge in revenue, the improvement of PBT for current financial year also attributed to the rationalisation measures taken towards end of previous financial year on certain business operations have contributed in reduction of administrative and operating expenses for FYE 2021.





Logistics Services division contributed 19.02% to the Group's revenue (2020: 14.43%). This division's revenue is mainly derived from but not limited to pick-up documents, parcels and freight from senders' premises, transportation and subsequent delivery to recipients' premises, warehousing and fulfilment services, E-commerce customised services and special/ security handling delivery via air, sea and land freight. The improvement of its revenue also due to the logistics business was classified under essential business which allowed us to operate at full force during the Movement Control Order ("MCO") period. Logistics Services division recorded a LBT of RM34.30 million (2020: RM21.44 million). The increase of LBT was mainly due to higher operation expenses incurred for the expansion of new branches, purchased of additional new vehicles and recruitment of additional workforces which was in line with the expansion of logistics business activities

throughout Peninsular Malaysia during the financial year under review..

ASSETS AND LIABILITIES

The Group's total assets have increased from RM163.40 million in FYE 2020 to RM306.04 million in FYE 2021. The upsurge was mainly due to increase in acquisition of property, plant and equipment as well as right-of-use assets which was in line with the expansion of courier and logistics business; new investment in quoted equity securities; deposit paid for acquisition of a new subsidiary company and down payments made for construction and renovation of office, depots, stations, warehouse and warehouse equipment. In addition, proceeds from conversion of irredeemable convertible preference shares ("ICPSS") by shareholders, proceeds from exercise of Warrants by shareholders, proceeds derived from disposal of subsidiary companies and

improved collection received from customers had led to increase in cash and cash equivalent. These surges are partially offset with the disposal of investment in an associate company.

The Group's total liabilities for FYE 2021 increased to RM80.64 million as compared with RM62.51 million in FYE 2020, the increase mainly attributed to the purchase of motor vehicles in line with expansion in logistics business activities, which led to the increase in lease liabilities.

CASH FLOW

For the FYE 2021, the Group's net cash flows status recorded a net cash inflow of RM15.79 million as compared to a net cash outflow of RM23.73 million for the FYE 2020. The surplus of cash flows was mainly attributed to the proceed from issuance of shares via conversion of ICPSS and exercise of warrants as well as private placements.

PROSPECTS AND OUTLOOK

The Group is still in the midst of downsizing and/or rightsizing underperforming and unprofitable business divisions. We believe we have identified our most appropriate business strategy moving forward. During the financial year under review, the Group successfully raised approximately RM104.55 million from the conversion of ICPs and warrants into ordinary shares which will significantly provide the financial war chest for the Group to evolve accordingly.

The Group's Mobile & Fulfilment division continues to be the preferred choice of major telecommunication operators to manage their procurement of mobile devices and fulfilment of distribution services to their end users with agreed Service Level Agreement ("SLA") target. To remain agile, the division will continue to embrace digitisation solutions to improve on productivity and continue to meet SLA in order to provide greater customer experience.

In line with the expansion plan and to accommodate the growing demand for the Group's logistics services, the Group had set up 23 new depots and stations with the eventual goal of having a depot/station in every state to expand the Group logistics network in the financial year under review. Currently, the Group has its Head-Quarter and warehouse-cum-office at Taman Perindustrian UEP, Subang Jaya, Selangor, 56 hubs/depots and 13 stations located throughout Malaysia including Sabah and Sarawak. Furthermore, the Group is expanding its transport fleet to maintain and enhance its service delivery levels and market reach. As at report date, the Group has successfully set up an additional 58 depots and stations

throughout Malaysia including Sabah and Sarawak.

With MMAG's initiatives to grow and expand its courier and logistics business by continuously growing its fleet of vehicles, acquisition of varying-sized vehicles, equipment and tools and expansion of its domestic service network, on 16 November 2020, the Company announced its acquisition of MJets. MJets is principally involved in the business of provision of airline charter flights, air freight services, cargo handlers, common carrier and operate warehouse and consultancy in aviation related fields and general aviation training. Upon completion, MJets will become an 80% owned subsidiary company of MMAG.

MMAG believes the acquisition of MJets as subsidiary company will provides growth opportunities associated with the Group's expansion plans by providing in-house services such as air cargo logistics, airline charter flights and providing all kinds of aviation facilities, product and services, cargo handlers, common carrier and operate warehouse and consultancy in aviation related fields and general aviation training, scientific and technical activities which are currently undertaken by MJets.

It has been a tough year for most companies in Malaysia and globally due to the unprecedented outbreak of Covid-19 pandemic. To curb the spread of the Covid-19, the Government of Malaysia enforced MCO and most businesses were temporarily shut down and restrictions imposed on business operation since March 2020. This had completely transformed the way of business conduct and lifestyle, including changing operating procedures to comply with the control in physical movements, working from home and adherence to social distancing requirements.

Every other business player will be affected by the virus outbreak to varying extents, and MMAG is also not spared by the pandemic-induced economic slowdown. However, thanks to the Group's involvement in the telecommunication sector and logistics industry, which are regarded as Essential Services by the Government, we are confident to sail through any arising challenges.

The Group is cautiously optimistic of the future prospects amid current market challenges.

ANTICIPATED OR KNOWN RISKS

The Group's businesses are generally exposed to credit risk, foreign exchange risk, market price risk and competition risks.

Global Pandemic

The World Health Organisation ("WHO") declared Covid-19 as a pandemic on 11 March 2020. This unprecedented worldwide outbreak of Covid-19 has caused significant changes in business practices. MMAG's logistics operations is classified as essential services and did not face restrictions to its operations during the government mandated MCO.

The Group proactively manage the impact to business and operations arising from Covid-19 pandemic. Safety and health measures were implemented, such as work-from-home and split team arrangements, maintaining standard operating procedures, sanitisation and daily temperature screening. The Group will continue to adapt to the "new norm" and emphasise safe working conditions for all staff to minimise the exposure.

Credit Risk

The uncertain global and modest domestic economies potentially post a challenge to the Group's credit risk in relation to longer collection periods and potentially lead to loss arising from irrecoverable trade receivables. The Group seeks to limit this credit risk through prudent management policies, continuous review and evaluation of the credit status of trade receivables and working closely with the Group's partners.

Foreign Exchange Risk

The Group's Mobile & Fulfilment division sources supplies from overseas suppliers which denominated in USD and this exposes the Group to foreign exchange risk. The measure taken by the Group to mitigate foreign exchange risk is to hedge the transaction amount. By way of hedging, this will minimise the Group's exposure to fluctuation in the foreign exchange rates.

The Group is also exposed to currency translation risk arising from its net investment in a foreign subsidiary company, which is in Singapore. This investment is not hedged as currency position in SGD is considered to be long-term in nature.

Market Price Risk

The Group is exposed to market price risk from its investment in quoted equity securities. Market price risk arising from the fluctuation in the fair value or future cash flows of the financial instrument due to changes in market price.

The Group monitors the investments on a portfolio basis while material investments within the portfolio are managed on an individual basis.

Competition Risk

The Mobile & Fulfilment and Logistics Services industry are highly competitive. The Group is competing with other well-established market players for more business and market share.

The Group believes that its ability to compete depends upon many factors both within and outside its control, including products and service differentiation, product distribution channels, customer service sales, pricing and marketing efforts.

However, there can be no assurance by adopting the above measures, the Group will be able to respond to changing market conditions or to maintain its competitiveness against current and future competition.



Dividend

No dividends have been paid by the Company for the current financial year. Payment of any future dividends is subject to the Company's level of cash, indebtedness, retained earnings, capital expenditure and such other matters as the Board may deem relevant from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement in essence highlights the Group's and the Company's commitment towards adopting, upholding and complying with the best practices as set out in the Malaysian Code on Corporate Governance ("MCCG or "the Code") and with its disclosures pursuant to the Bursa Malaysia ACE Market Listing Requirements ("AMLR").

The Board of Directors ("the Board") of the Company affirms its commitment in adopting and maintaining a high standard of accountability, responsibility and transparency in the Group's daily business operations and affairs. The Board Committees ensure that the best practices and principles set out in MCCG are adhered to, where possible, towards building and enhancing long term shareholders' relationship and values.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Boards Leadership

- 1.1 The Group is led by an experience and effective Board. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is responsible for the stewardship of the business and affairs of the Group and collectively responsible for delivery of sustainable value to its shareholders. In discharging its fiduciary duties and leadership functions, the Board has governed and set the strategic direction of the Group while exercising oversight on management. The Board ensured that it had set the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group.

Sustainability

The Board regularly reviews the strategic direction of the Group and the progress of the Group's operations, taking into changes in the business and political environment and risk factors such as level of competition.

The Group has expanded and diversified its business activities to logistics and delivery business to tap on the blooming business in online trading.

Directors' Time Commitment

The Directors observe the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively, they must not hold directorships at more than five public listed companies and must be able to commit sufficient time to the Company.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1.0 Boards Leadership (Cont'd)****Board Meetings**

The Board met seven (7) times during the financial year ended 31 March 2021. The attendance of the Board members at the meetings are as follows:-

Board of Directors	No. of meetings attended
Dato' Mohammad Hamiddan Bin Maryani (appointed on 8 June 2021)	*
YM Tengku Farith Rithauddeen (appointed on 9 March 2021)	1/1
Chong Koon Meng	7/7
Kenny Khaw Chuan Wah (appointed on 16 November 2020)	3/3
Yeap Say Woi	7/7
Hwang Siew Chien	7/7
Woo Kam Weng (appointed on 15 March 2021)	1/1
Dato' Sok One A/L Esen (appointed on 12 April 2021)	*
Chan Swee Ying	7/7

* Appointed after financial year ended 31 March 2021

Directors' Training

In addition to the mandatory programmes as required by the Bursa Malaysia Securities Berhad ("Bursa Securities") for newly appointed Director and in line with the constant changes in rules and regulations, information technology and business environment, all Directors are encouraged to attend continuous training conducted by highly competent professionals and which are relevant to the Group's operations and businesses.

During the financial year, members of the Board have attended training programmes as follows:-

Name of Director	Training Programmes
Dato' Mohammad Hamiddan Bin Maryani	• Note 1
YM Tengku Farith Rithauddeen	• Budget 2021 - Tax Highlights
Chong Koon Meng	• MIRA Sustainability Accelerator Program
Kenny Khaw Chuan Wah	• Budget 2021 - Tax Highlights • Good Distribution Practice for Medical Devices Awareness & Internal Audit Training
Yeap Say Woi	• Implementing Amendments in the Malaysian Code on Corporate Governance • SMEs: The mindset to adopt during a crisis
Hwang Siew Chien	• Budget 2021 - Tax Highlights
Woo Kam Weng	• Note 2
Dato' Sok One A/L Esen	• Note 1
Chan Swee Ying	• Budget 2021 - Tax Highlights

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1.0 Boards Leadership (Cont'd)****Directors' Training (Cont'd)****Note:**

All the Directors have attended the MAP prescribed by Bursa Securities.

- (1) Appointed after financial year ended 31 March 2021
- (2) Appointed on 15 March 2021 and attended the MAP subsequent to the financial year ended 31 March 2021

To enable the Board to discharge their responsibilities in meeting the goals and objectives of the Company, the Board has, among others,

- (a) reviewed, challenged and decided on management's proposal for the Group and monitor its implementation by key senior management;
- (b) monitored and regular reviewed the strategic direction of the Group and the progress of the Group's operations, taking into changes in the business and political environment, risk factors such as level of competition and to determine the business being properly managed and supports long term value creation;
- (c) ensured there is a sound framework for internal controls and risk management;
- (d) ensured that key senior management has the necessary skills and experience and measures in place to ensure orderly succession planning within the Group;
- (e) ensured the integrity of the financial and non-financial reporting of the Group; and
- (f) ensured that the Company's financial statements are true and fair and conform to the relevant standards, rules and regulations.

1.2 Chairman of the Board

The Chairman responsibilities include:-

- (a) provided overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
- (b) chaired meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director. The Chairman should ensure that the agenda and all necessary background paper are given to Directors in sufficient time to able the papers to be adequately considered before the meeting;
- (c) reviewed the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
- (d) monitored Board performance as a whole;
- (e) ensured membership of the Board is appropriately skilled to meet the needs of the Company;
- (f) assisted in Board discussions to address the key issues facing the Company;
- (g) initiated the establishment of Board Committees and ensuring that they achieve their objectives;
- (h) guided and promoted the ongoing efficacy and development of the Board and its individual Directors; and
- (i) fastened high corporate governance.

- 1.3 The positions of the Chairman and Chief Executive Director ("CEO") are held by two different individuals. The Chairman is responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of management while the CEO focuses on the business and day-to-day management of the Group and the implementation of the Board's decisions. The distinct and separate roles of the Chairman and CEO; with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making and are clearly defined in the Board Charter.

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

1.0 Boards Leadership (Cont'd)

1.4 Company Secretary

The Board is supported by a Company Secretary with over 30 years' corporate secretarial practice. She is fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

The Company Secretary is responsible for ensuring the Board procedures are followed and the applicable rules and regulations for the conduct of the affairs at the Board are complied with. The Company Secretary advises the Board on issues relating to the Company's Constitution, corporate governance best practices, and compliance with laws, rules and regulatory requirements.

The Company Secretary to organise, attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

- 1.5 The Board meeting materials are circulated to Directors at least one week prior to each Board meeting to enable Board members to facilitate informed and timely decision making. All Board members reviewed and confirmed the minutes of the meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberate on a particular matter.

Board members have complete and unhindered access to the Management and Company Secretary at all times. Management personnel are invited to attend Board meetings and the Board may consult with other employees of the Group and seek additional information, where necessary. Likewise, the Directors also have access to independent professional advice whenever such services are needed to assist them in carrying out their duties at the Company's expense.

2.0 Demarcation of Responsibilities of the Board, Board Committees and Management

- 2.1 The Board is guided by the Board Charter, which set out amongst the responsibilities, authorities, procedures, evaluation and structures of the Board and Board Committees as well as the relationship between the Board with its management and shareholders.

The Board Charter was last reviewed on 22 July 2021 and updated on the Company's website at www.mmag.com.my. Notwithstanding that the Board Charter is subject to periodic review to ensure their relevance and compliance.

The Board has delegated specific responsibilities to the following Board Committees and adopted Terms of References ("TORs") setting out the matters relevant to the composition, responsibilities and administration of these Committees: -

- (a) Audit Committee
- (b) Nomination Committee
- (c) Remuneration Committee

The Board receives reports of the proceedings and deliberations of the Board Committees where the Chairman of the Board Committees report to the Board on the key issues deliberated and the outcome of the Board Committee meetings. Minutes of the Board Committees meetings are presented to the Board for notation and endorsement. The TORs of the Board Committees are reviews as and when the need arises. The TORs are published on the Company's website at www.mmag.com.my together with the Board Charter.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**2.0 Demarcation of Responsibilities of the Board, Board Committees and Management (Cont'd)****Nomination Committee ("NC")**

The NC is responsible for ensuring that the Board has the appropriate balance composition and size, the required skills mix, experience, and other core competencies; and is also responsible for considering and recommending new member to the Board. The final decision on the appointment of a candidate recommended by NC rests with the whole Board.

The existing NC comprises three (3) members, all of them are Independent Non-Executive Directors:-

Chairman:	YM Tengku Farith Rithauddeen	(Independent Non-Executive Director)
Members:	Yeap Say Woi	(Independent Non-Executive Director)
	Hwang Siew Chien	(Independent Non-Executive Director)

Whenever there may be vacancy in the Board, be it for replacement or new creation, the NC will source it through their peers, networking and get the recommendation from the management.

The NC assesses the shortlisted candidate for his/her suitability before formally considering and recommending them to the Board and where applicable, to the Committee.

In reviewing and recommending to the Board any new Director appointment, the NC considers the followings:-

- (i) Candidate independence for Independent Non-Executive Director;
- (ii) Candidate's age, knowledge and skills, experiences, integrity, professionalism and other relevant factors as may be determined by the NC which would contribute to the Board's collective skills;
- (iii) Ability to fulfil time commitment in particular for Independent Non-Executive Director; and
- (iv) The composition requirements for the Board and Committee.

NC will annually review its required mix of skills and experience and other qualities, including core competencies which the Director should bring to the Board.

The NC ensures that all appointments of new Directors to the Board are proper and in compliance with the rules of the relevant authorities. Any appointment of additional Director will be made as and when it is deemed necessary by the existing Board with due consideration given to the mix skills, expertise and experience in the respective industry required regardless of gender diversity for an effective Board.

3.0 Good Business Conduct and Healthy Corporate Culture

- 3.1 The Directors are expected to conduct themselves with the highest ethical standards by setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group. The Company has adopted the Code of Conduct and Ethics, which can be viewed on the Company's website www.mmag.com.my.

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

3.0 Good Business Conduct and Healthy Corporate Culture (Cont'd)

- 3.2 The Company's Whistleblowing Policy encourages its employees to raise genuine concerns about positive improprieties in matters of compliance, suspected violations of the Code of Conduct and Ethics and to disclose any improper conduct or other malpractices within the Group.

The Policy is to provide communication channels for employees of the Group and agents, suppliers, consumers and related third party to raise concerns about the improper conduct within the Group and to offer protection for such persons (including the employees of the Group) who can report such allegations in person to its Human Resource Manager ("HRM") and Executive Director ("ED") or in writing to ED and the Chairman.

The Whistleblowing Policy is published on the Company's website www.mmag.com.my.

The Board Charter, Code of Conduct and Ethics and Whistleblowing Policy were received and updated on 22 July 2021.

3.3 Anti-Bribery and Anti-Corruption Policy

The Board has adopted the Anti-Bribery and Anti-Corruption Policy across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

4.0 Board's Objectivity

- 4.1 The Board comprises two (2) Executive Directors, six (6) Independent Non-Executive Directors and one (1) Non-independent Non-Executive Director. Exceed of two-third of the Board of Directors are Independent Directors. In the event of any vacancy in the Board of Directors resulting in non-compliance with Rule 15.02 (1) of AMLR, the Company will fill the vacancy within three (3) months.

The Board is of the view that having majority of Non-Executive Directors who by virtue of their non-executive status do not involve in the day-to-day management of the Group's businesses, this may provide an effective check and balance in the functioning of the Board.

- 4.2 None of the independent directors is currently serving beyond nine (9) years. However, if the Board intends to retain an independent director who has served beyond nine (9) years, the Board justify and to seek for annual shareholders' approval.

- 4.3 The Board has not adopted a policy which limits the tenure of its independent directors to nine (9) years.

- 4.4 The Board is judicious of the gender diversity recommendation by MCCG in order to bring a variety of diverse opinions, prospective, skills, experiences, backgrounds and orientations to its discussions and its decision making processes and constructive debates at key senior management level.

The Group gives equal opportunity to all employees. The appointment of Board members and employees are based on objective criteria, merit, experience and credibility on a continuing basis and, may not limit to gender, age, ethnicity and culture background.

The Board views that the workplace and Board diversity is important to facilitate the decision-making process by harnessing different insights and perspectives.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**4.0 Board's Objectivity (Cont'd)**

- 4.5 During the financial year ended 31 March 2021, Dr. Aimi Zulhazmi Bin Abdul Rashid was resigned as Executive Director on 15 May 2020, Datuk Hj. Khan Bin Mohd Akram Khan was resigned as Executive Chairman on 3 July 2020, Mr. Dirk Johann Quinten was ceased as alternate director to Datuk Hj. Khan on 3 July 2020, Mr Goh Eugene was appointed as Executive Director on 10 July 2020 and resigned on 15 June 2021, Dato' Rathakrishnan A/L Vellaisamy was appointed as Independent Non-Executive Chairman on 3 September 2020 and resigned on 15 March 2021, Mr. Wong Eng Su was resigned as Executive Director on 23 September 2020, Mr. Kenny Khoo Chuan Wah was appointed as Executive Director on 16 November 2020, Dato' Johari Bin Yahya was resigned as Independent Non-Executive Director on 11 January 2021, YM Tengku Farith Rithauddeen was appointed as Independent Non-Executive Director on 9 March 2021, redesignated as Independent Non-Executive Chairman on 15 March 2021 and redesignated as Independent Non-Executive Deputy Chairman on 8 June 2021, Mr. Woo Kam Weng was appointed as Independent Non-Executive Director on 15 March 2021.

Subsequent to financial year ended 31 March 2021, Dato' Sok One A/L Esen was appointed as Independent Non-Executive Director on 12 April 2021, Dato' Mohammad Hamiddan Bin Maryani was appointed as Independent Non-Executive Chairman on 8 June 2021.

- 4.6 The NC is chaired by YM Tengku Farith Rithauddeen, an Independent Non-Executive Director. The profile of YM Tengku Farith Rithauddeen is presented in the Board of Directors' Profile in this Annual Report.
- 4.7 Pursuant to the Company's Constitution, one-third (1/3) of the Directors, shall retire from office, and provided that all Directors shall retire at least once every three (3) years, but shall be eligible for re-election. Directors who were appointed during the financial year are subject to re-election by shareholders at the next Annual General Meeting held following their appointment.

5.0 Overall Effectiveness of the Board and Individual Director**Activities carried out by NC during the financial year:-**

The members of NC reviewed the mix of skills, experience and competency of the Board composition.

The NC has assessed each individual director, the Board and Board Committee as a whole and the Audit Committee for their performance and the effectiveness. The assessment of individual Directors was through the Director Evaluation Form under the criteria of integrity and ethics, governance, strategic perspective, adding value, judgment and decision-making, teamwork, communication and commitment. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. The respective Director has abstained from evaluating their own performance. The NC appraise the Board performance evaluation and rating is based on the consensus amongst the NC.

6.0 Level and Composition of Remuneration

- 6.1 The Remuneration Committee ("RC") has been entrusted by the Board to determine that the level of remuneration is sufficient to attract and retain Directors of quality required to manage the business of the Group. The RC is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. In all instances, the deliberations are conducted, with the Directors concerned abstaining from discussions on their individual remuneration.
- 6.2 The RC carried out an annual review of the Directors' remunerations packages with regards to each Director's role, responsibilities, and expertise, taking into consideration of the Company's business performance of the Group whereupon recommendations are submitted to the Board for approval. Such annual reviews shall ensure that the remuneration package of the Directors remains sufficiently attractive to attract and retain Directors of such caliber to provide the necessary skills and expertise to drive the Group's long-term objectives.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**7.0 Remuneration of Directors and Key Senior Management**

7.1 The Directors' remuneration for the financial year ended 31 March 2021 is as follows:-

Group

Category	Salary, bonus and benefit in-kind (RM)	Directors' Fee (RM)	Allowances (RM)	Total (RM)
Executive Directors:				
Chong Koon Meng	540,445	6,000	12,000	558,445
Kenny Khaw Chuan Wah (appointed on 16.11.2020)	126,311	2,250	4,500	133,061
Dr. Aimi Zulhazmi Bin Abdul Rashid (resigned on 15.5.2020)	47,505	750	1,500	49,755
Datuk Hj. Khan Bin Mohd Akram Khan (resigned on 3.7.2020)	–	1,500	3,000	4,500
Wong Eng Su (resigned on 23.9.2020)	264,552	3,000	6,000	273,552
Goh Eugene (resigned on 15.6.2021)	–	4,500	9,000	13,500
Non-Executive Directors:				
YM Tengku Farith Rithauddeen (appointed on 9.3.2021)	–	2,500	–	2,500
Yeap Say Woi	–	6,000	16,500	22,500
Hwang Siew Chien	–	6,000	16,500	22,500
Chan Swee Ying	–	6,000	16,500	22,500
Woo Kam Weng (appointed on 15.3.2021)	–	250	1,500	1,750
Dato' Johari Bin Yahya (resigned on 11.1.2021)	–	4,500	12,000	16,500
Dato' Rathakrishnan A/L Vellaisamy (resigned on 15.3.2021)	–	3,250	7,500	10,750

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**7.0 Remuneration of Directors and Key Senior Management (Cont'd)****7.2 Remuneration to Key Senior Management**

Details of the remunerations of the key senior management personnel on a named basis for the financial year ended 31 March 2021 are disclosed in page 32 of this annual report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**1.0 Effective and Independent Audit Committee ("AC")**

- 1.1 The AC was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently in discharging its responsibilities of reviewing and monitoring the Group's financial process, audit process, statutory and regulatory compliance, code of business conduct, and other matters that the Board or the relevant authorities may specially delegate to the AC.

The Chairman of the AC is Mr. Yeap Say Woi, an Independent Non-Executive Director.

- 1.2 The AC conducts an annual assessment to review the suitability, objectivity, capability and independence of the audit firm based on the followings:-
- (i) Independence, objectivity and professional skepticism;
 - (ii) Communication and interaction; and
 - (iii) Quality of skills, capabilities of audit team and sufficiency of resources.

Based on the results of the evaluation, the AC is satisfied with the performance of the external auditors and thus, recommended to the Board the re-appointment of the external auditors at the forthcoming AGM on 30 August 2021.

Messrs Grant Thornton Malaysia PLT has in their report on audit planning memorandum provided written assurance that they are independent throughout the conduct the audit engagement in accordance with the relevant professional and regulatory requirements.

- 1.3 The AC comprises all Independent Non-Executive Directors and is in compliance with the AMLR.
- 1.4 The members of AC collectively are financially literate and have the necessary skills and experience and able to understand Company's business and matter under the purview of the AC including the financial reporting process. They have continuously applied a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenged management's assertions on the Company's financials to ensure the Quarterly Report and the Annual Audited Financial Statements give a true and fair view of the Company's financial position.

As stated in the Directors' training of Boards Leadership on Objectives and Goals of the Company, all the AC members have undertaken continuous professional development to keep themselves abreast with the latest development and changes to the regulatory requirements and practices to discharge their duties effectively.

- 1.5 None of the AC members is former key audit partner.

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

1.0 Effective and Independent Audit Committee ("AC") (Cont'd)

1.6 Statement of Directors' Responsibility for Preparing Financial Statements

The AC, having better understanding of financial regulations and requirements, is empowered by the Board to review the Group's financial statements to ensure conformance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

The Board is collectively responsible to ensure that the financial statements, the results and cash flows will give a comprehensive and fair view of the Group's financial position at the end of the relevant financial year.

The Directors are responsible for ensuring that proper accounting records are kept with reasonable accuracy, the disclosure of financial position of the Group, and the financial statements are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors also have overall responsibilities for taking such reasonable steps to safeguard the assets of the Group and to take measures to prevent and detect frauds and other irregularities.

The Board believes they have applied all appropriate accounting policies on a consistent and prudent basis, and made reasonable and necessary judgments and estimates to ensure that the financial statements for the financial year ended 31 March 2021 provide a true and fair view of the Company's financial position and affairs.

2.0 Risk Management and Internal Control

- 2.1 The Risk Management Committee at the Management level ("RMC") is established to assist the Board in identifying the risk registers, assessing the risk profile and risk appetite and managing the risks in areas that are applicable to the Company's business and ensure that the risk management process is in place and functioning effectively to mitigate the risk management.

The RMC comprises two (2) members:-

Chairlady:	Hwang Siew Chien	(Independent Non-Executive Director)
Member:	Kenny Khaw Chuan Wah	(Executive Director) - Risk Manager

The AC may provide an objective view on the effectiveness of the enterprise risk management and internal control framework as a whole to the Board.

- 2.2 An Enterprise Risk Management Framework has been established to provide the overall guidelines and approach to the Group's risk management. The RMC is working closely with all heads of department to ensure the identification of emerging risks resulting from changing business environment and/or initiatives being implemented as well as evaluation of the effectiveness of controls and risk management plans.

Further details on the features of the risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2021.

- 2.3 The Risk Manager will meet all the heads of department to collate their feedback and risk concern with the appropriate risk management actions to address the issue.
- 2.4 The Risk Manager will compile the records, after getting feedback from the respective heads of department and the appropriate recommended measures and report to the RMC.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**2.0 Risk Management and Internal Control (Cont'd)**

- 2.5 The RMC will report to the Board as their findings and appropriate measures to address in mitigating the risks registered.
- 2.6 The internal auditors will refer to the RMC reports as part of their duties before drafting out the proper internal audit plan for the year.

3.0 Effective Governance, Risk Management and Internal Control Framework

- 3.1 The establishment of the Internal Audit Function provides the Directors and the AC with an independent assessment and appraisal/review of the effectiveness and reliability of the Group's internal controls and information system.

The internal audit function includes the review, assessment and provision of reasonable assurance that the Group's internal controls are functioning as planned and able to highlight all material deviation or findings to the AC immediately. To maintain impartiality and independence, the internal auditors report directly to the AC on the overall assessment of the Group's internal control mechanism.

Internal Audit reports were issued to the AC to be tabled at the AC meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management response with regards to any audit findings on the weaknesses in the systems and controls of the operations. The internal auditors will also follow up with Management on the implementation of the agreed audit recommendations.

- 3.2 The Group outsourced its internal audit function to an independent professional internal audit service provider. The role of the internal audit function, which reports directly to the AC, is to support the AC by providing it with independent and objective reports on the adequacy and effectiveness of the system of the internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the AC and key senior management of the Group.

The Internal Audit adopts a COSO Framework and risk-based approach with focus on effective risk management practices and is guided under the International Professional Practice Framework.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**1.0 Effective Communication with Stakeholders**

- 1.1 The Board recognises the importance of effective communication with its investors and shareholders as a key component to uphold the principles and best practices of corporate governance for the Group. As such, the need to establish corporate disclosure policies and procedures between the Company and the regulators, shareholders and stakeholders is important to build the trust and understanding between the Company and the stakeholders.

On this basis, the Board exercises close monitoring of all price sensitive information potentially required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner as requested. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Company's website.

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

1.0 Effective Communication with Stakeholders (Cont'd)

- 1.1 The Board has authorised the executive directors to co-ordinate with the Company Secretary to verify and approve all announcements before releasing to the public.

The following communication channels are mainly used by the Company to disseminate information on a timely basis to the shareholders and the investing public:-

- (a) Group's corporate proposals, quarterly and annual financial results and other required announcements are available on website at www.mmag.com.my and www.bursamalaysia.com;
 - (b) Press release provide up-to-date information on the Group's key corporate initiatives and investments if any; and
 - (c) Annual General Meeting ("AGM") provides a forum to engage with Directors and key senior management to share viewpoints and acquire information on issues relevant to the Group.
- 1.2 The Company is not categorised as large company under the MCCG and has not adopted the integrated reporting based on a globally recognised framework.

2.0 Conduct of General Meetings

- 2.1 The Notice of AGM is circulated at least 21 days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. All Board members will ensure their attendance in the general meetings and the respective chairmen of the Board Committees, Senior Management and the Group's external auditors as well as the Company's advisers shall attend to respond to shareholders' questions during the general meetings of the Company as the case may be.
- 2.2 Explanation for each proposed resolution is set out in the notice of general meetings to assist shareholders in making their decisions and exercising their voting rights. In line with Rule 8.31A of the AMLR, all resolutions set out in the notice of general meetings will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters, if any, discussed during the general meetings will be posted on the Company's website.
- 2.3 The Company held its general meetings at the time and venue which were convenient and easily accessible to all shareholders. General meetings of the Company remain important avenues for the Board and Management to have better engagement with the shareholders present.
- 2.4 Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to attend and vote at the General Meetings. Shareholders are encouraged to attend general meetings of the Company. Shareholders who are unable to attend the general meetings are advised that they can appoint proxy(ies) to attend and vote on their behalf.

This Statement is made in accordance with the resolution of the Board dated 22 July 2021.



SUSTAINABILITY STATEMENT

The Board and the Management of MMAG Holdings Berhad ("MMAG" or the "Company") are committed to update the sustainability progress and engage openly with the Company and its subsidiary companies' (the "Group") stakeholders through transparent sustainability reporting.

In the midst of a challenging business and operating landscape, we realised our strategies towards identifying and managing long-term risks and opportunities, with near-term as well as long-term approaches and strategies. We will focus

on building a sustainable and responsible business, which will create value for all our stakeholders. We endeavour to improve the stakeholders' experiences and our strategic response to meet their needs and expectations.

This Sustainability Statement for the financial year ended 31 March 2021 is prepared pursuant to Guidance Note 11 of the ACE Market Listing Requirements ("AMLR") of Bursa Securities Malaysia Berhad ("Bursa Malaysia"). In particular, MMAG is to disclose the management of material sustainability matters in

accordance with Guidance Note 11 of AMLR and Sustainability Reporting Guide issued by Bursa Malaysia ("the Guide") on the content of the Sustainability Statement.

Our Sustainability Policy established is guided by the 17 Sustainable Development Goals ("SDGs") developed by the United Nations to address a range of social and economic development issues such as poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice.



STAKEHOLDERS ENGAGEMENT

We believe that continual engagement with our stakeholders is crucial in making our sustainability focus known. We recognised the important of identifying and addressing sustainability issues with our stakeholders and making well-informed decisions to achieve our sustainability goals. The needs and expectations of our stakeholders can be met through open two-way communication, which subsequently enhances trust from our stakeholders and promotes Group's accountability.

The table below lists the stakeholders that influence our business operations, followed by their respective areas of interests and the engagement methods undertaken by the Group to address these interests.

Stakeholder Groups	Areas Of Interest	Engagement Methods
Investors	- Transparent reporting with credible data - Innovative supply chain solutions	- Quarterly financial results /report - Annual report - Company website - Full virtual General meeting/(s) - Announcements and advertisement, if there is any
Customers	- Reliable service and on-time delivery - Customer convenience - Competitive pricing - Operational efficiency	- Customer feedback and surveys conducted annually - Market research - E-fulfillment of transportation and storage transactions - Sales and customer visits/virtual meeting/conference calls
Employees	- Competitive pay and benefits - Clear communication - Work-life balance - Career growth and opportunities - Efficient health and safety management to conceive safe and conducive working condition - Awareness on Covid-19 pandemic	- Full virtual training programmes and workshops - Town hall meetings conducted by fully virtual (department-wise) - Company intranet (disseminating department meeting updates and memos)
Suppliers	- Timely pay-outs - Procurement practices - Supplier Code of Conduct - Licensing and certification - Business opportunities - Mitigation of business risks - Sustainability of the Company's operations - Shared growth through partnerships - Impact of Covid-19 pandemic	- Supplier assessment conducted annually - Supplier registration - Virtual meetings - Email correspondences
Communities	- Impact of operations on surrounding environment - Economic opportunities - CSR activities and involvement	- Community engagement programmes - Public safety and security - Safety and security of operations - Employment and business opportunities - Infrastructure development - Social and welfare contributions
Business Partners	- Financial stability - Service coverage and capability - Reputation	- Written communication - Business exchange - Meeting visits
Regulatory Authorities and Statutory Bodies	- Regulatory compliance - Corporate governance - Standards and certifications - Risk management	- Collaborative partnerships - Regular audits and inspections - Updates on regulations and meetings

MATERIAL SUSTAINABILITY MATTERS

In year 2020/2021, although our businesses are classified under essential business, we also slightly been affected by the Covid-19 pandemic and Malaysian government's Movement Control Order ("MCO"). As part of ensuring sustainable business operations, our Group continue aims to balance profitability with the protection of the environment and all stakeholders (investors, customers, employees, suppliers and local communities) by creating positive impact and mitigating any negative impact arising from its activities from the economic, environment and social aspects. The Group is monitoring the sustainability performance from time to time. The governance structure in relation to the Group's sustainability practice is guided by the Guide and Toolkit: Governance issued by Bursa Securities with necessary adaption based on the nature and scale of the businesses of the Group.

During the financial year under review and up to the date of this Statement, the Group had performed the activities in relation to the identification, management and reporting of sustainability matters and performances. The degree of significance of the sustainable matters to influence on the assessment and decision by internal and external stakeholders were performed by using informal stakeholders' engagement through direct communication with relevant internal and external stakeholders by Head of Departments/Divisions and Executive Directors.



ECONOMIC

The Group recognises that its businesses have direct and indirect impact on the communities in which we operate. The Group has always believed in having a long-term business relationship with suppliers and customers. As such, economic sustainability is embedded in our business culture. Wherever possible, the Group uses local contractors to carry out jobs. The Company has also made community investments through donations and reduced cost supplies to non-profits.

With the goal of making a positive impact in the lives of the communities in which we operate in, our people at MMAG are actively engaged in activities to address appropriately the needs of our local communities.

The Group firmly believes in impacting and investing back in the local community, especially among the poor and marginalised. The Group focused on underprivileged children and

contributed through donation to provide them with basic necessities such as food, clothes and daily needed.

All MMAG employees are encouraged to participate in a variety of local charity events. Activities range from donation drives to visiting charity homes, Covid-19 victims and flood victims.

We see this as an important aspect of our work and will continue to provide the platform, support and encouragement to impact the local community as an organisation.

ENVIRONMENT

MMAG placed emphasis on addressing its direct operational impacts on the environment. We raised awareness and encouraged all employees to practices the "Recycle, Reuse and Recycle" - 3R, the policy in the office. Recycling bins were also placed in our cafeteria to encourage this habit as well as surrounding of our warehouse and office premises.

The Group has a policy to reduce electricity and water usage across all hubs, depots and stations, thus reducing its environmental footprint while reducing operation costs. The Company is also monitoring the use of vehicles to optimise fuel consumption and replace older vehicles to reduce consumption of carbon dioxide. We monitor the usage of paper products which helps the environment and also reduces wastage and keeps our work environment tidy and safe for employees. All the employees are encouraged to copy or print documents on double sided, reuse and recycle of A4 paper which helps to reduce greenhouse gas emission.

SAFETY & HEALTH

The Covid-19 pandemic that the world is facing now is unprecedented and its impact on the economy is severe. The rapid spread of this virus has resulted in the implementation of lockdown and social distancing which later resulted in significant decline of economic activities. In Malaysia, the government has announced the implementation of MCO as a measure to control the spread of the Covid-19 and subsequently, it has been enhanced with several other conditions and regulations which witnessed a new normal in the lives of Malaysians. Under MCO, most businesses are allowed to operate provided that strict standards of practice must be complied.

MMAG is attentive towards Safety and Health management, while considering the growing prevalence of health and safety impact on our economic landscape. Our commitment is to strengthen our management to safeguard the health, safety as well as the well-being of all parties in our premises at all time.

In compliance to the Malaysian Standard Operating Procedures ("SOPs") in managing the

Covid-19 pandemic, we have introduced precautionary measures to protect the safety and health of our employees and customers. We have initiated sanitisation services for all warehouse, hubs, depots and stations, invested in security and health equipment (e.g. temperature reader, masks). Our team had introduced sanitisation services to our premises, which include disinfection of common areas. We also offer the sanitisation to all stations/depots/hubs and warehouse throughout Malaysia including Sabah and Sarawak as well as our subsidiary company in Singapore. Our team also implemented the thermal scanner system, we have introduced automated thermal scanner system at our building entry point.

The Group ensures that risks to health and safety from work activities are properly controlled and the efforts to do the same are beyond regulatory compliance. The Group has taken a proactive approach to ensure the following:-

- (i) That the employees' risk of exposure to Covid-19 is minimised by implementing work-from-home ("WFH") and virtual meeting with any parties and online documentation system in communicating with customers and suppliers;
- (ii) That the business or daily operations of the Group can still continue by implementing strict and effective SOPs and best practices as recommended by the Ministry of Health and the World Health Organisation; and
- (iii) Developing SOPs and/or alternative business arrangements with customers, contractors or suppliers to ensure smooth continuity of the business and operations.

SOCIAL

In year 2020/2021, we have witnessed the Covid-19 pandemic outbreak that has caused significant changes within the local and global business environment. Due to the travel restrictions and newly introduced SOPs to slowdown the spread of the disease, our business operations have seen major changes, which include to reliance on technology to support our employees to practice WFH requirement; introduction of additional SOPs for our employees and customers on workplace, warehouse, hubs, depots and stations; as well as conducts full virtual meetings with all parties either with internal or external parties, shareholders and suppliers.

The Group recognises the importance to uphold the social value along with its value chain to cater for the needs of stakeholders it is affecting through its activities undertaken. The employees are recognised as an important and valuable resource for the Group to support the continued growth and expansion of the Group. The Group believes that employees' proactive participations are vital to the success of the Group. Hence, providing a safe and sustainable working environment and assist the employees to further develop their skills, knowledge and competencies. The initiatives on fair and inclusive workplace are headed by the Human Resources Department.

The Group has a preference for recruiting local talent wherever possible, thus benefiting the local community and reducing employee turnover. The employee's social club has been set up to engage and promote employee bonding through events such as birthday celebrations, privileges such as preferred rates at F&B outlets,

and other similar activities and advantages. The Company periodically holds local events for current and potential customers, to find ways to improve our service.

We offer a competitive remuneration package with a wide range of benefits to attract and retain the best talent. In addition to the standard benefits such as annual leave and medical coverage, we also offer career development opportunities for both technical and non-technical staff. This includes employee recognition and mentoring programs.

The Group strives to motivate and retain the best employees by providing activities such as in-house training programs, external training programs as well as team building excursions to upgrade their knowledge and skills within their job scope either by way of conducting fully virtual or physical events in compliance with SOPs set. At the same time, the Group believes that good relationships can be fostered through sports and other activities.

We also continually seek ways to engage with our employees to foster a strong sense of purpose and belonging. The Group employs an open-door policy and every employee is empowered to provide suggestions or feedback on any subject matter, regardless of position or length of employment.

The management of human resources are embodied in the Employee Handbook and human resource related policies and procedures established by the Senior Management for group-wide execution, whereby minimum requirements of fair treatment of legitimate employees are specified for strict

compliance. The Group prohibits all forms of discrimination in the work place, such as race, religion, nationality, gender, age, marital/ pregnancy and disable status, whereby every individual has an equal right and voice to make a difference. The Group also observes strict enforcement of no illegal employment in the work place, including the contractors and subcontractors.

During the financial year under review, Logistics Services division still have joining the relevant authorities, government bodies and business partners to work together in the humanitarian aid delivery mission for flood victims at the east coast. MMAG also helping in charity event such as the O.K.Unity Campaign in delivery the books in order to raise the funds and giving justified assistance to help the Disabled Community overcome the epidemic.

CORPORATE GOVERNANCE PRACTICES

The Group is lead by an effective board which assumes responsibility for its leadership and control and is collectively responsible for promoting its success by directing and supervising its affairs. The Directors take decisions objectively in the best interests of the Group through good Corporate Governance practices.

The Group has ensured that the Policies and Procedures are in place to strengthen its corporate governance drive as well as being an effective tool to guide the Management and all its stakeholders relating to the following areas:-

- Anti-Bribery and Anti-Corruption Policy ("ABC Policy")
- Code of conducts
- Board Charter

- Whistleblowing Procedures
- Risk Management

The Board and top-level management have taken proactive measures to ensure the Company's adherence with the Malaysian Anti-Corruption Commission's ("MACC") corporate liability law which came into force on 1 June 2020. The Group is committed to fighting corruption, enhancing integrity, and implementing good governance in its organisation by taking appropriate and consistent steps to ensure that the Company does not engage in corrupt activities.

Apart from the above-mentioned, specific grievance procedure is established by the Management to enable the employees to voice their grievances through multiple communication channels to the appropriate level of authority. This is part of the Group's efforts to establish and uphold impartiality in the work place.

Privacy Policy is put in place by the Group to collect and manage the confidential personal data collected from employees in compliance with Personal Data Protection Act.

There was no major legal action taken against the Group nor any fine or monetary sanction imposed related to social aspects during the financial year under review.

During these unprecedented times, we continue to drive our sustainability efforts across all our business segments to ensure a sustainable development of our business through the importance we have placed particularly in our material matters that shape the Group's sustainability efforts in managing the long-term value creation of our stakeholders.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiary companies are disclosed in Note 7 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net (loss)/profit for the financial year	(23,047,812)	6,106,223
Attributable to:-		
Owners of the Company	(23,095,992)	
Non-controlling interests	48,180	
	(23,047,812)	

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company during the financial year.

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are:-

Chong Koon Meng *
Chan Swee Ying
Yeap Say Woi
Hwang Siew Chien
Kenny Khaw Chuan Wah (appointed on 16.11.2020) *
YM Tengku Farith Rithauddeen (appointed on 9.3.2021)

DIRECTORS' REPORT Cont'd

DIRECTORS (CONT'D)

The Directors who held office during the financial year and up to the date of this report are (cont'd):-

Woo Kam Weng (appointed on 15.3.2021)
Dato' Sok One A/L Esen (appointed on 12.4.2021)
Dato' Mohammad Hamiddan Bin Maryani (appointed on 8.6.2021)
Goh Eugene (appointed on 10.7.2020, resigned on 15.6.2021)
Dato' Rathakrishnan A/L Vellaisamy (appointed on 3.9.2020, resigned on 15.3.2021)
Dato' Johari Bin Yahya (resigned on 11.1.2021)
Wong Eng Su (resigned on 23.9.2020) *
Datuk Hj. Khan Bin Mohd Akram Khan (resigned on 3.7.2020)
Dirk Johann Quinten (alternate Director to Datuk Hj. Khan Bin Mohd Akram Khan, ceased on 3.7.2020)
Dr. Aimi Zulhazmi Bin Abdul Rashid (resigned on 15.5.2020)

* *Director of the Company and a subsidiary company*

The list of Directors of the subsidiary companies are as follows:-

Liew Wai Yang
Lim Sook Hui
Sin Chin Chai
Yap Yee Siew Audrey
Chin Boon Kim (appointed on 22.1.2021)
Huang Kangwei (appointed on 15.4.2021)
Koay Teong Chuan (resigned on 31.8.2020)
Adam Khoo Teow Beng (resigned on 2.11.2020)
Yong Mong Huay (resigned on 21.12.2020)
Bazli Bin Endud (resigned on 22.1.2021)
Nor Aishah Binti A Rahman (resigned on 22.1.2021)
Mohammad Hafez Bin Roslee (resigned on 25.1.2021)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as shown in Notes 26 and 30 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 or a related corporation of which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	At 1.4.2020/ date of appointment	Number of ordinary shares		At 31.3.2021
		Bought	Sold	
<u>Direct interests</u>				
Chong Koon Meng	225,000	250,000	–	475,000
Chan Swee Ying	163,881,900	107,742,900	–	271,624,800
Kenny Khow Chuan Wah	12,605,600	63,264,800	35,901,000	39,969,400
<u>Indirect interests</u>				
Chong Koon Meng*	71,208,500	–	–	71,208,500
Kenny Khow Chuan Wah*	71,208,500	–	–	71,208,500

	At 1.4.2020/ date of appointment	Number of Warrants 2017/2022		At 31.3.2021
		Bought	Sold	
<u>Direct interests</u>				
Chan Swee Ying	51,950,000	–	51,950,000	–
Kenny Khow Chuan Wah	9,182,500	–	–	9,182,500
<u>Indirect interest</u>				
Chan Swee Ying ^	23,000,000	–	23,000,000	–

	At 1.4.2020/ date of appointment	Number of irredeemable convertible preference shares		At 31.3.2021
		Bought	Sold	
Chong Koon Meng	300,000	–	–	300,000
Chan Swee Ying	218,018,900	–	218,018,900	–
Kenny Khaw Chuan Wah	7,500,000	40,874,000	48,374,000	–

* Indirect interest by virtue of their shareholding in Marina Teguh Sdn. Bhd.

^ Indirect interest by virtue of her shareholding in Primal Cash Private Ltd.

By virtue of Mr. Chong Koon Meng, Madam Chan Swee Ying and Mr. Kenny Khaw Chuan Wah's direct and indirect substantial interests in the shares of the Company, they are also deemed to have interests in the shares of all the subsidiary companies to the extent that the Company has an interest under Section 8 of the Companies Act, 2016.

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued the ordinary shares pursuant to the following:-

- (a) 71,694,700 new ordinary shares at issue prices range from RM0.40 to RM0.475 for total cash consideration of RM32,648,733 pursuant to private placement;
- (b) 26,589,012 new ordinary shares for total cash consideration of RM5,317,802 pursuant to the exercise of 26,589,012 Warrants at an exercise price of RM0.20 each; and
- (c) 315,998,900 new ordinary shares for a total cash consideration of RM47,399,835 pursuant to the conversion of 315,998,900 ICPS by the way of conversion of 1 ICPS at conversion price of RM0.15 each.

There were no debentures issued by the Company during the financial year.

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

The terms of the ICPS are disclosed in Note 18 to the Financial Statements.

WARRANTS 2017/2022

The Company had on 20 November 2017 allotted and issued 151,834,154 ordinary shares pursuant to rights issue ("rights shares") together with 227,751,203 warrants at an issue price of RM0.25 each on the basis of 3 warrants for every 2 right shares subscribed each warrant. Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 28 November 2017 to 27 November 2022, at an exercise price of RM0.20 in accordance with a deed poll. Any warrant not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

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

During the financial year, 26,589,012 warrants had been exercised. As at 31 March 2021, there are 200,594,191 warrants remained not exercised.

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

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

In the opinion of the Directors:-

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

The significant events during the financial year and subsequent to the reporting date are disclosed in Note 35 to the Financial Statements.

AUDITORS

Details of auditors' remuneration are set in Note 26 to the Financial Statements.

The Company has agreed to indemnify the auditors, Grant Thornton Malaysia PLT to the extent permitted under Section 289 of the Companies Act, 2016. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 March 2021.

The auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

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

.....	)	
CHONG KOON MENG	)	
	)	
	)	
	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
	)	
.....	)	
KENNY KHOW CHUAN WAH	)	

Kuala Lumpur
22 July 2021

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 55 to 134 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 March 2021 and of their financial performance and cash flows for the financial year then ended.

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

CHONG KOON MENG

KENNY KHOW CHUAN WAH

Kuala Lumpur
22 July 2021

STATUTORY DECLARATION

I, Kenny Khaw Chuan Wah, being the Director primarily responsible for the financial management of MMAG Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 55 to 134 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
22 July 2021)

KENNY KHOW CHUAN WAH
(MIA NO.: 31967)
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths
VALLIAMAH A/P PERIAN (W594)

INDEPENDENT AUDITORS' REPORT

to the Members of MMAG Holdings Berhad

(Incorporated in Malaysia) Registration No: 200301007003 (609423-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MMAG Holdings Berhad, which comprise the statements of financial position as at 31 March 2021, and 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 55 to 134.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and 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.

Group

Goodwill on consolidation

The risk – The Group is required to test annually the amount of goodwill for impairment. The impairment testing relies on estimates of value-in-use based on estimated future cash flows.

The annual impairment test of goodwill is significant to our audit because the assessment process used in preparing the estimated future cash flows is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions.

Our response – Our audit procedures included, amongst others, evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth, expenses and profit margins. We have checked for additional impairment triggers by reading Board's minutes' holdings regular discussions with management and examining the performance of each cash generating unit. We also focused on adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Whilst recognising that forecasting is inherently judgmental, we concluded that the assumptions and methodologies used by management were within an acceptable range of reasonable estimates. The Group's disclosures about goodwill are included in Note 11 to the Financial Statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)*Key Audit Matters (Cont'd)***Group***Impairment loss of trade and other receivables*

The risk – In accordance with the impairment requirements under MFRS 9, the management is required to apply forward-looking approach in assessing the impairment of trade and other receivables. Broader range of information is considered including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cashflows of trade and other receivables are applied to calculate the expected credit losses using a provision matrix.

We identified impairment of trade and other receivables as a significant risk requiring special audit consideration. This is because the Group's trade and other receivables are material to the financial statements.

Our response – In addressing this area of focus, we assessed the validity of material receivables by obtaining third-party confirmations of amounts owing. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.

The assessment of the appropriateness of the provision for trade receivables comprised a variety of audit procedures across the Group including:-

- Challenging the appropriateness and reasonableness of the assumptions applied in the assessment of the receivables allowance;
- Consideration and concurrence of the agreed payment terms;
- Verification of receipts from trade receivables subsequent to year-end; and
- Considered the completeness and accuracy of the disclosures.

The Group's disclosures regarding impairment of trade and other receivables are included in Notes 3.7.1, 14 and 33 to the Financial Statements.

Right-of-use assets and lease liabilities

The risk – Due to the nature in courier and logistic business, the Group has numerous of lease contracts, right-of-use assets and lease liabilities have been identified and recognised in the financial statements. MFRS 16 Leases is regarded as key audit matter because it involved large volume of data in preparing the leases schedule by the management and also required significant estimations and judgements made by the management which includes determination of lease term, discount rate, lease options and others measurement principles.

Our response – In addressing this area of focus, we have obtained an understanding and reviewed the process of preparation of the leases schedule with recalculation performed to ensure mechanical accuracy of leases schedule provided. We also tested the accuracy of the information stated in leases schedule by sighting to lease contracts and assessed the accounting treatment to ensure the compliance with the requirements of MFRS 16 including the appropriateness of the estimations and judgements made by the management.

The Group's disclosures about right-of-use assets and lease liabilities are included in Note 5 to the Financial Statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Company

Investment in subsidiary companies

The risk – Significant judgements are required by the Directors in assessing the impairment and the recoverability of the investment in subsidiary companies. This is based on the value-in-use, using cash flow projections, covering a five-year period for each cash generating unit. The assumptions with the most significant judgement on the cash flow projections are growth rates and profit margins.

Our response – In addition to other procedures, we considered it necessary to test the design and implementation of the key controls around the impairment review process. We have performed substantive procedures and challenged the key assumptions include future growth rates and the profit margins applied. In addition, we have tested the reasonably possible changes in the key assumptions on which management has based its determination of the cash generating unit's recoverable amount that may cause the cash generating unit's carrying amount exceed its recoverable amount. We also compared projected cash flow against historical performance to test the reasonableness of the projections.

The Company's disclosures about investment in subsidiary companies are included in Notes 7.1 to the Financial Statements.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

INDEPENDENT AUDITORS' REPORT Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors is disclosed in Note 7 to the Financial Statements.

OTHER MATTER

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.

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

**KHO KIM ENG
(NO: 03137/10/2022 J)
CHARTERED ACCOUNTANT**

Kuala Lumpur
22 JULY 2021

STATEMENTS OF FINANCIAL POSITION

for the Financial Year Ended 31 March 2021

	Note	2021 RM	Group 2020 RM	Company 2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	50,588,844	43,076,402	3	3
Right-of-use assets	5	61,307,098	38,629,025	–	–
Investment properties	6	24,031,111	5,521,505	–	–
Investment in subsidiary companies	7	–	–	95,336,574	42,675,928
Investment in an associate company	8	–	20,166,720	–	20,166,720
Other investments	9	66,217,978	–	64,917,978	–
Intangible assets	10	120,000	576,893	–	–
Goodwill on consolidation	11	10,383,310	9,845,410	–	–
Fixed deposits with licensed banks		880,000	580,000	–	–
Total non-current assets		213,528,341	118,395,955	160,254,555	62,842,651
Current assets					
Inventories	12	2,881,280	3,500,732	–	–
Contract assets	13	1,967,734	–	–	–
Trade receivables	14	26,632,562	27,422,286	–	–
Other receivables	15	37,075,097	7,938,330	19,403,316	87,769
Amount due from subsidiary companies	7	–	–	169,064,912	163,883,604
Tax recoverable		47,624	55,835	14,956	14,956
Fixed deposits with licensed banks		4,780,441	2,276,875	1,080,441	476,875
Cash and bank balances		17,127,276	3,807,857	1,394,048	189,173
Total current assets		90,512,014	45,001,915	190,957,673	164,652,377
Non-current asset held for sale	16	2,000,000	–	–	–
Total assets		306,040,355	163,397,870	351,212,228	227,495,028
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company:-					
Share capital	17	246,330,286	141,773,872	246,330,286	141,773,872
Irredeemable convertible preference shares	18	1,452,811	17,252,756	1,452,811	17,252,756
Reserves	19	(28,706,660)	(58,261,993)	97,019,483	39,155,183
		219,076,437	100,764,635	344,802,580	198,181,811
Non-controlling interests	7	6,324,322	119,471	–	–
Total equity		225,400,759	100,884,106	344,802,580	198,181,811

STATEMENTS OF FINANCIAL POSITION Cont'd

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
LIABILITIES					
Non-current liabilities					
Borrowings	20	3,234,107	3,391,457	–	–
Lease liabilities	5	30,907,603	12,632,217	–	–
Deferred tax liabilities	21	1,392,578	1,900,250	–	–
Total non-current liabilities		35,534,288	17,923,924	–	–
Current liabilities					
Trade payables	22	9,137,007	2,658,595	–	–
Other payables	23	21,378,547	21,733,353	1,357,894	13,359,586
Amount due to subsidiary companies	7	–	–	1,537,188	1,550,000
Borrowings	20	3,899,435	14,764,980	3,514,566	14,403,631
Lease liabilities	5	10,690,319	5,432,912	–	–
Total current liabilities		45,105,308	44,589,840	6,409,648	29,313,217
Total liabilities		80,639,596	62,513,764	6,409,648	29,313,217
Total equity and liabilities		306,040,355	163,397,870	351,212,228	227,495,028

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 March 2021

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Revenue	24	222,794,954	182,540,812	–	–
Cost of sales		(222,973,269)	(184,620,397)	–	–
Gross loss		(178,315)	(2,079,585)	–	–
Other income	25	15,728,082	1,439,093	11,504,430	47,405
Finance income		105,167	236,871	78,021	122,126
Net impairment loss on financial assets		(3,706,837)	(623,714)	(867,967)	–
Selling and distribution expenses		(3,951,408)	(3,389,131)	–	–
Administration expenses		(28,055,532)	(18,000,408)	(3,550,892)	(2,644,360)
Other expenses		(822,524)	(626,612)	(339,256)	(7,117,380)
Finance costs		(2,503,411)	(2,360,991)	(718,113)	(735,138)
Share of gain/(loss) in an associate company		480,851	(2,667,709)	–	–
(Loss)/Profit before tax	26	(22,903,927)	(28,072,186)	6,106,223	(10,327,347)
Tax expenses	27	(143,885)	(3,234)	–	–
Net (loss)/profit for the financial year		(23,047,812)	(28,075,420)	6,106,223	(10,327,347)
Other comprehensive income/(loss):-					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation difference arising from a foreign subsidiary company		10,105	4,084	–	–
Share of foreign currency translation reserve in an associate company		261,522	(57,914)	–	–
Items that will not be reclassified subsequently to profit or loss					
Fair value gain on other investment		55,148,176	–	55,148,176	–
Revaluation surplus on freehold land and buildings		–	1,583,368	–	–
Deferred tax relating to revaluation of freehold land and buildings		510,225	(264,143)	–	–
Total comprehensive income/(loss) for the financial year		32,882,216	(26,810,025)	61,254,399	(10,327,347)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Cont'd

	Note	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
(Loss)/Profit for the financial year					
attributable to:-					
Owners of the Company		(23,095,992)	(27,879,820)	6,106,223	(10,327,347)
Non-controlling interests		48,180	(195,600)	–	–
		(23,047,812)	(28,075,420)	6,106,223	(10,327,347)
Total comprehensive income/					
(loss) attributable to:-					
Owners of the Company		32,829,994	(26,616,025)	61,254,399	(10,327,347)
Non-controlling interests		52,222	(194,000)	–	–
		32,882,216	(26,810,025)	61,254,399	(10,327,347)
Loss per share					
- Basic (sen)	28	(2.31)	(3.96)		
- Diluted (sen)	28	*	*		

* anti-dilutive in nature

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 March 2021

	Attributable to equity holders of the Company									
	Irredeemable preference shares					Non-distributable				
	Share capital	Revaluation reserve	Fair value reserve	Warrant reserve	Merger deficit	Exchange translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
At 31 March 2019, as previously reported	134,528,022	8,045,955	-	29,033,178	(7,900,000)	(185,042)	(60,546,292)	121,998,797	313,471	122,312,268
Effect on adoption of MFRS 16	-	-	-	-	-	-	(26,447)	(26,447)	-	(26,447)
At 1 April 2019, restated	134,528,022	8,045,955	-	29,033,178	(7,900,000)	(185,042)	(60,572,739)	121,972,350	313,471	122,285,821
Transactions with owners:-										
Conversion of warrants	172,920	-	-	(67,320)	-	-	-	105,600	-	105,600
Conversion of irredeemable convertible preference shares	7,072,930	-	-	-	-	-	-	5,302,710	-	5,302,710
Total transactions with owners	7,245,850	-	-	(67,320)	-	-	-	5,408,310	-	5,408,310
Net loss for the financial year	-	-	-	-	-	-	(27,879,820)	(27,879,820)	(195,600)	(28,075,420)
Other comprehensive income/(loss) for the financial year	-	1,319,225	-	-	-	(55,430)	-	1,263,795	1,600	1,265,395
Total comprehensive income/(loss) for the financial year	-	1,319,225	-	-	-	(55,430)	(27,879,820)	(26,616,025)	(194,000)	(26,810,025)
At 31 March 2020	141,773,872	9,365,180	-	28,965,858	(7,900,000)	(240,472)	(88,452,559)	100,764,635	119,471	100,884,106

STATEMENTS OF CHANGES IN EQUITY Cont'd

	Attributable to equity holders of the Company									
	Irredeemable convertible preference shares					Non-distributable				
	Share capital RM	Revaluation reserve RM	Fair value reserve RM	Warrant reserve RM	Merger deficit RM	Exchange translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Transactions with owners:-										
Changes in ownership interests in subsidiary companies	-	-	-	-	-	-	115,438	115,438	6,144,562	6,260,000
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	8,067	8,067
Private placements	32,648,733	-	-	-	-	-	-	32,648,733	-	32,648,733
Conversion of warrants	8,707,901	-	-	(3,390,099)	-	-	-	5,317,802	-	5,317,802
Conversion of irredeemable convertible preference shares	63,199,780	-	-	-	-	-	-	47,399,835	-	47,399,835
Total transactions with owners	104,556,414	-	-	(3,390,099)	-	-	115,438	85,481,808	6,152,629	91,634,437
Net (loss)/income for the financial year	-	-	-	-	-	-	(23,095,992)	(23,095,992)	48,180	(23,047,812)
Other comprehensive income for the financial year	-	510,225	55,148,176	-	-	267,585	-	55,925,986	4,042	55,930,028
Total comprehensive income/(loss) for the financial year	-	510,225	55,148,176	-	-	267,585	(23,095,992)	32,829,994	52,222	32,882,216
At 31 March 2021	246,330,286	9,875,405	55,148,176	25,575,759	(7,900,000)	27,113	(111,433,113)	219,076,437	6,324,322	225,400,759

STATEMENTS OF CHANGES IN EQUITY Cont'd

		Non-distributable					
		Irredeemable convertible preference shares					
		Share capital RM	RM	Fair value reserve RM	Warrant reserve RM	Retained earnings RM	Total RM
Company							
At 1 April 2019		134,528,022	19,022,976	–	29,033,178	20,516,672	203,100,848
Transactions with owners:-							
Conversion of warrants		172,920	–	–	(67,320)	–	105,600
Conversion of irredeemable convertible preference shares		7,072,930	(1,770,220)	–	–	–	5,302,710
Total transactions with owners		7,245,850	(1,770,220)	–	(67,320)	–	5,408,310
Total comprehensive loss for the financial year		–	–	–	–	(10,327,347)	(10,327,347)
At 31 March 2020		141,773,872	17,252,756	–	28,965,858	10,189,325	198,181,811
Transactions with owners:-							
Private placements		32,648,733	–	–	–	–	32,648,733
Conversion of warrants		8,707,901	–	–	(3,390,099)	–	5,317,802
Conversion of irredeemable convertible preference shares		63,199,780	(15,799,945)	–	–	–	47,399,835
Total transactions with owners		104,556,414	(15,799,945)	–	(3,390,099)	–	85,366,370
Net profit for the financial year		–	–	–	–	6,106,223	6,106,223
Other comprehensive income for the financial year		–	–	55,148,176	–	–	55,148,176
Total comprehensive income for the financial year		–	–	55,148,176	–	6,106,223	61,254,399
At 31 March 2021		246,330,286	1,452,811	55,148,176	25,575,759	16,295,548	344,802,580

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

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 March 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(22,903,927)	(28,072,186)	6,106,223	(10,327,347)
Adjustments for:-					
Allowance for expected credit loss on trade receivables		2,186,754	1,039,086	–	–
Allowance for expected credit loss on other receivables		2,000,000	–	–	–
Bargain purchase on acquisition of a subsidiary company		–	(382,455)	–	–
Deposits written off		–	21,493	–	–
Depreciation of property, plant and equipment		–	–	–	–
and investment properties		4,078,673	2,418,059	–	–
Depreciation of right-of-use assets		9,560,584	7,018,426	–	–
Gain on disposal of property, plant and equipment		(112,418)	(2,926)	–	–
Gain on disposal of subsidiary companies		(2,397,725)	(54,947)	–	(47,405)
Gain on disposal of an associate company		(10,363,827)	–	(10,844,678)	–
Gain on disposal of rights-of-use assets		(27,113)	–	–	–
Gain on lease modification/termination		(63,233)	–	–	–
Impairment loss on amount due from subsidiary companies		–	–	867,967	–
Impairment loss on investment in an associate company		–	445,414	–	7,117,380
Impairment loss on investment in subsidiary companies		–	–	339,256	–
Impairment loss on intangible assets		602,070	–	–	–
Interest expenses		2,503,411	2,360,991	718,113	735,138
Interest income		(105,167)	(236,871)	(78,021)	(122,126)
Inventories written off		24,194	–	–	–
Loss on disposal of an investment property		162,698	44,100	–	–
Other receivables written off		–	9,898	–	–
Property, plant and equipment written off		1,376	96,168	–	–
Rental rebates		(67,720)	–	–	–
Share of (gain)/loss in an associate company		(480,851)	2,667,709	–	–

STATEMENTS OF CASH FLOWS Cont'd

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Operating loss before working capital changes		(15,402,221)	(12,628,041)	(2,891,140)	(2,644,360)
Changes in working capital:-					
Inventories		595,258	(2,332,382)	–	–
Contract assets		(1,967,734)	–	–	–
Receivables		(33,656,693)	(6,833,169)	(19,315,547)	(17,801)
Payables		6,668,127	1,942,274	(12,001,692)	12,321,576
Cash (used in)/generated from operations		(43,763,263)	(19,851,318)	(34,208,379)	9,659,415
Tax paid		(49,445)	(26,950)	–	(5,793)
Tax refunded		22,771	929,852	–	–
Interest received		105,167	236,871	78,021	122,126
Net cash (used in)/from operating activities		(43,684,770)	(18,711,545)	(34,130,358)	9,775,748
INVESTING ACTIVITIES					
Acquisition of subsidiary companies	7	(532,068)	(8,865,569)	–	–
Acquisition of non-controlling interest		(240,000)	–	–	–
Investment in an associate company		–	(17,034,000)	–	(17,034,000)
Net advances to subsidiary companies		–	–	(6,062,087)	(30,516,139)
Net cash inflows from disposal of subsidiary companies	7	3,087,140	–	–	–
Purchase of property, plant and equipment		(33,376,116)	(4,048,715)	–	–
Purchase of right-of-use assets	A	(2,911,172)	(937,584)	–	–
Purchase of other investments		(9,469,802)	–	(8,169,802)	–
Purchase of intangible assets		(145,177)	–	–	–
Proceeds from disposal of property, plant and equipment and investment properties		1,346,115	13,005,049	–	–
Proceeds from disposal of investment in an associate company		29,411,398	–	29,411,398	–
Proceeds from disposal of rights-of-use assets		64,165	–	–	–
Subscription of shares in subsidiary companies		–	–	(52,999,902)	–
Subscription of shares by non-controlling interests		6,500,000	–	–	–
Net cash used in investing activities		(6,265,517)	(17,880,819)	(37,820,393)	(47,550,139)

STATEMENTS OF CASH FLOWS Cont'd

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
FINANCING ACTIVITIES					
Drawdown of borrowings		8,169,803	14,403,631	8,169,803	14,403,631
Repayment of borrowings		(19,192,698)	(316,711)	(19,058,868)	–
(Placement)/Uplift of non-current/ pledged fixed deposits with licensed banks		(300,000)	1,000,000	–	–
Repayment of lease liabilities		(5,797,894)	(5,274,300)	–	–
Interest paid		(2,503,411)	(2,360,991)	(718,113)	(735,138)
Proceeds from issuance of shares		85,366,370	5,408,310	85,366,370	5,408,310
Net cash from financing activities	B	65,742,170	12,859,939	73,759,192	19,076,803
CASH AND CASH EQUIVALENTS					
Net changes		15,791,883	(23,732,425)	1,808,441	(18,697,588)
Effect of foreign currency translation differences on cash and cash equivalents		31,102	6,827	–	–
At beginning of financial year		6,084,732	29,810,330	666,048	19,363,636
At end of financial year	C	21,907,717	6,084,732	2,474,489	666,048

NOTES TO THE STATEMENTS OF CASH FLOWS:-

A. PURCHASE OF RIGHT-OF-USE ASSETS

The Group acquired right-of-use assets with aggregate costs of RM33,627,143 (2020: RM7,354,818) of which RM30,715,971 (2020: RM6,417,234) were acquired by means of lease arrangements. Cash payments of RM2,911,172 (2020: RM937,584) were made to purchase such right-of-use assets.

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D):-

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At beginning of financial year RM	Others RM	Cash flows RM	At end of financial year RM
Group				
2021				
Borrowings	18,156,437	–	(11,022,895)	7,133,542
Lease liabilities	18,065,129	29,330,687 *	(5,797,894)	41,597,922
2020				
Borrowings	4,069,517	–	14,086,920	18,156,437
Lease liabilities	14,849,833	8,489,596 *	(5,274,300)	18,065,129
Company				
2021				
Borrowings	14,403,631	–	(10,889,065)	3,514,566
2020				
Borrowings	–	–	14,403,631	14,403,631

* Being effect of adoption of MFRS16, additions, acquisition of subsidiary companies, lease modification, lease termination, rental rebates and translation differences of lease liabilities as disclosed in Note 5 to the Financial Statements

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	17,127,276	3,807,857	1,394,048	189,173
Fixed deposits pledged to licensed banks	5,660,441	2,856,875	1,080,441	476,875
	22,787,717	6,664,732	2,474,489	666,048
Less:				
Fixed deposits pledged to licensed banks	(880,000)	(580,000)	–	–
	21,907,717	6,084,732	2,474,489	666,048

Fixed deposits with licensed banks of the Group and of the Company bear interest at rates ranging from 1.35% to 2.10% (2020: 1.90% to 3.35%) and 1.35% to 2.10% (2020: 1.90% to 2.50%) per annum respectively.

Fixed deposits of the Group amounting to RM880,000 (2020: RM580,000) are pledged to licensed banks for banking facilities granted to the subsidiary companies.

Included in fixed deposits with licensed banks of the Group is RM280,000 (2020: RM280,000) which are held in trust by a Director of the Group and of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. The principal place of business of the Company is located at No. 3, Jalan TP2, Taman Perindustrian UEP Subang Jaya, 47600 Subang Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of the subsidiary companies are disclosed in Note 7 to the Financial Statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Directors on 22 July 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 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 ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Basis of measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

2.2 Basis of measurement (Cont'd)

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

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

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

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

The Group has established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Board of Directors. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

2.3 Functional and presentation currency

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

2.4 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have applied the accounting policies set out in Note 3 to all years presented in these financial statements, except for the changes below.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2020.

Initial application of the new standards/amendments/improvements to the standards did not have a material impact on the financial statements of the Group and of the Company.

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

2.5 Early adoption of amendments to MFRS 16

Amendments to MFRS 16 "Covid-19 – Related rent concessions"

The Group has elected to early adopt amendments to MFRS 16 "Covid-19 – Related rent concessions" which will take effect on or after 1 June 2020. In accordance with the transitional provisions provided in the amendments to MFRS 16, the comparative information was not restated and continued to be reported under the previous accounting policies in accordance with the lease modification principles in MFRS 16.

The accounting policies and impact of changes upon early adoption of amendments to MFRS 16 are disclosed in Note 3.5.1.3 and Note 5 to the Financial Statements.

2.6 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs and amendments to MFRSs that have been issued by Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:-

Effective for financial periods beginning on or after 1 January 2021:-

Amendments to MFRS 9*, 139*, 7*#, 4*#	Interest Rate Benchmark Reform – Phase 2
and 16*	

Effective for financial periods beginning on or after 1 April 2021:-

Amendments to MFRS 16*	Lease: Covid-19 Related Rent Concessions beyond 30 June 2021
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Effective for financial periods beginning on or after 1 January 2022:-

Amendments to MFRS 3*	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023:-

Amendments to MFRS 4*#	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17*# and amendments to MFRS 17*#	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112*	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred to a date to be determined by MASB:-

Amendments to MFRS 10 and 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Company's operation

Not applicable to the Group's operations

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

2.6 Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial year. The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current year and prior years' financial statements of the Group and of the Company upon their first adoption.

2.7 Significant accounting estimates and judgements

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

2.7.1 Estimation uncertainty

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

Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in the fair values being recognised in other comprehensive income. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. The Group engages independent valuation specialists to determine the fair values.

Useful lives of depreciable assets

Management estimates the useful lives of the depreciable assets to be within 3 to 50 years and reviews the useful lives of the depreciable assets at each reporting date. As at 31 March 2021, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

Management expects that the expected useful lives of the property, plant and equipment and investment properties would not have material difference from the management's estimates and hence it would not result in material variance in the Group's net loss for the financial year.

Impairment of non-financial assets

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

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

2.7 Significant accounting estimates and judgements (Cont'd)

2.7.1 Estimation uncertainty (Cont'd)

Impairment of non-financial assets (Cont'd)

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

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix and credit rating assessment to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by customer type and rating, coverage by letter of credit and other forms of credit insurance).

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

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

Leases – estimating the incremental borrowing rate

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

Income taxes and deferred tax

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

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

2.7 Significant accounting estimates and judgements (Cont'd)

2.7.1 Estimation uncertainty (Cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling price to change rapidly and the Group's results to change.

The management reviews inventories to identify damaged, obsolete and slow-moving inventories which require judgement and changes in such estimates could result in revision to the valuation of inventories.

Fair values of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and financial liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

2.7.2 Significant management judgements

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

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

2.7 Significant accounting estimates and judgements (Cont'd)

2.7.2 Significant management judgements (Cont'd)

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has various lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. 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.

The Group includes the renewal period as part of the lease term for such leases. The Group generally exercises its option to renew for those leases with renewal option.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiary companies

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

Investment in subsidiary companies is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution.

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

3.1.2 Basis of consolidation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.2 Basis of consolidation (Cont'd)

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

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

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

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.3 Business combinations and goodwill (Cont'd)

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

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

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

3.1.4 Loss of control

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

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

3.1.5 Non-controlling interests

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

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

3.1.6 Associate company

Associate company is an entity in which the Group or the Company has significant influence, but no control, over its financial and operating policies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.6 Associate company (Cont'd)

The Group's investment in its associate company is accounted for using the equity method. Under the equity method, investment in an associate company is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate company since the acquisition date. Goodwill relating to the associate company is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate company is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate company.

The aggregate of the Group's share of profit or loss of an associate company is shown on the face of the statements of profit or loss and other comprehensive income outside operating profit.

When the Group's share of losses exceeds its interest in an associate company, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate company.

The financial statements of the associate company are prepared as of the same reporting year of the Company. Where necessary, adjustments are made to bring the accounting policies of the associate company in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate company. The Group determines at each end of the reporting year whether there is any objective evidence that the investment in an associate company is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate company and its carrying value, then recognises the amount in the "share of loss in an associate company" in profit or loss.

Upon loss of significant influence over the associate company, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate company decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investment in an associate company is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency translation

3.2.1 Foreign currency transactions and balances

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

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

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

3.2.2 Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM are translated to RM at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the exchange translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

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

3.3 Property, plant and equipment

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the asset, and the present value of the expected cost for the decommissioning of the asset after its use. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

Land and buildings are initially measured at cost and subsequently measured at fair value less accumulated depreciation on buildings and impairment losses, if any, after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amounts does not differ materially from the land and buildings at the reporting date.

Buildings under construction consist of warehouse and garbage room under construction for their intended use as storage and administrative purposes and are not depreciated until they are completed and ready for their intended use.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the "revaluation reserve" in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Buildings	2%
Computer and office equipment	10% - 33%
Furniture, fittings, signboard and office renovation	10% - 20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and rates of depreciation are consistent with the previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items 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 differences between the disposal proceeds and the carrying amounts of the assets and are recognised in profit or loss.

3.4 Investment properties

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Investment properties (Cont'd)

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. Subsequently to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses, if any.

Depreciation is recognised on the straight-line method in order to write off the cost over its estimated useful life. Investment properties are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings	2%
Renovation	10%

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity.

3.5 Leases

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

3.5.1 As lessee

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

3.5.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:-

Leasehold building	50 years
Leasehold land	3.75 years
Outlet premises	2 to 5 years
Motor vehicles	5 years

If ownership of the lease asset transfers to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as detailed in Note 3.8 to the Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (Cont'd)

3.5.1 As lessee (Cont'd)

3.5.1.2 Lease liabilities

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

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

3.5.1.3 COVID-19-related rent concessions

On 28 May 2020, MASB issued Covid-19 - related rent concessions - amendments to MFRS 16 Leases. The amendments provide relief to lessees from applying MFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic.

If a rent concession results from a lease modification, the Group accounts for the rent concession as either a new lease or as a remeasurement of an existing lease liability.

If a rent concession does not result from a lease modification, the Group recognises the rent concession as rental rebates in the period in which the event or condition that triggers the reduced payment occurs.

During the financial year, the Group elects to account for a Covid-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:-

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change;
- (ii) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (iii) there is no substantive change to other terms and conditions of the lease.

The Group accounts for such Covid-19-related rent concession as rental rebates in which the event or condition that triggers the reduced payment occurs. The Group presents the impacts of rent concessions within other income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (Cont'd)

3.5.1 As lessee (Cont'd)

3.5.1.4 Short-term leases and leases of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases. It also applies the leases of low-value assets recognition exemption to leases of that are considered to be of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

3.5.2 As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue and other income in the statement of profit or loss due to its operating nature. Contingent rents are recognised as other income in the year in which they are earned.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

The useful lives of the intangible assets are as follow:-

E-commerce & mobile apps	5 years
Customer list and relationship	Indefinite

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments

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

3.7.1 Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

At the reporting date, the Group and the Company carry financial assets measured at amortised costs and financial assets at fair value through OCI on their statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.1 Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's contract assets, trade and other receivables, amount due from subsidiary companies, fixed deposits with licensed banks and cash and bank balances fall into this category of financial instruments.

Financial assets designated at fair value through OCI (equity instruments)

Financial assets at fair value through OCI comprise investment in quoted and unquoted shares which are not held for trading, and which the Group and the Company have irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group and the Company consider this classification to be more relevant.

On disposal of this investment, any related balance within the fair value reserve is reclassified to accumulated losses/retained earnings.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.1 Financial assets (Cont'd)

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for receivables are always measured at an amount equal to lifetime expected credit loss.

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

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

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

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

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

3.7.2 Financial liabilities

Initial recognition and measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.2 Financial liabilities (Cont'd)

Subsequent measurement

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

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

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

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

The Group's and the Company's financial liabilities include trade and other payables, amount due to subsidiary companies and borrowings.

Derecognition

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

3.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount 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.

3.8 Impairment of non-financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of non-financial assets (Cont'd)

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

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss, except where the revaluation was taken to other comprehensive income previously. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.

3.9 Inventories

Inventories consist of trading goods are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all expenses incurred in bringing the inventories to their present location and condition which consist of the cost of purchase and transportation cost.

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

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, short term demand deposits, fixed deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current assets.

3.11 Equity instruments and reserves

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

The revaluation reserve within equity represents surplus arising from the revaluation of property, plant and equipment, net of deferred tax.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Equity instruments and reserves (Cont'd)

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Accumulated losses include all current year's profit/loss and prior years' accumulated losses.

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

3.12 Borrowing costs

All borrowing costs are expensed in the year in which they are incurred. Borrowing costs consist of interest and other costs that the Group or the Company incurred in connection with the borrowing of funds.

3.13 Revenue

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

The Group recognises the revenue arising from services at a point in time unless one of the following overtime criteria is met:-

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

The Group is in the business of distribution of information communication technology and providing courier and logistic services. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

3.13.1 Sales of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

3.13.2 Courier and delivery services income

Courier and delivery services income is recognised in the reporting year in which the services are rendered and the Group has a present right to payment for the services.

3.13.3 Commission income

Commission income is generated from provision of insurance agency services during the financial year. Revenue is recognised at a point in time when policyholders pay premium amount to the insurer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (Cont'd)

3.13.4 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pay consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

3.13.5 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial assets.

3.14 Employees benefits

3.14.1 Short-term employees benefits

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

3.14.2 Defined contribution plans

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

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

3.15 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

3.15.1 Current tax

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax expenses (Cont'd)

3.15.2 Deferred tax

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different 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.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Non-current asset classified as held for sale

Non-current asset classified as held for sale comprising asset that is expected to be recovered primarily through sale rather than through continuing use.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the asset which is expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the asset is remeasured in accordance with the Company's accounting policies, thereafter generally the asset is measured at the lower of its carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3.17 Segmental reporting

3.17.1 Operating segment

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Segmental reporting (Cont'd)

3.17.2 Intersegment transfer

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity in negotiated term. These transfers are eliminated on consolidation.

3.18 Contingencies

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

3.19 Earnings per share ("EPS")

The Group presents basic and dilute earnings per share data for its ordinary shares.

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

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4. PROPERTY, PLANT AND EQUIPMENT

	At valuation	At valuation/cost	At cost				
	Freehold land and buildings RM	Leasehold buildings RM	Computer and office equipment RM	Furniture, fittings, signboard and office renovation RM	Motor vehicles RM	Buildings under construction RM	Total RM
Valuation/Cost							
At 31 March 2019, as previously reported	33,116,500	19,724,095	4,595,696	8,896,739	24,013,363	–	90,346,393
Adjustment on initial application of MFRS 16	–	(19,724,095)	–	–	(21,614,179)	–	(41,338,274)
At 1 April 2019, as restated	33,116,500	–	4,595,696	8,896,739	2,399,184	–	49,008,119
Additions	–	–	814,564	3,204,151	30,000	–	4,048,715
Disposals	–	–	–	(2,641)	(2)	–	(2,643)
Written off	–	–	(23,903)	(214,431)	–	–	(238,334)
Revaluation	1,543,500	–	–	–	–	–	1,543,500
Translation reserve	–	–	(13)	113	–	–	100
At 31 March 2020	34,660,000	–	5,386,344	11,883,931	2,429,182	–	54,359,457
Additions	12,084,607	–	6,400,243	5,883,775	6,992,354	2,015,137	33,376,116
Disposals	–	–	(857)	–	(505,952)	–	(506,809)
Written off	–	–	(22,961)	–	–	–	(22,961)
Transfer to investment properties	(19,210,000)	–	–	(4,990,678)	–	–	(24,200,678)
Transfer to non-current asset held for sale	(2,000,000)	–	–	–	–	–	(2,000,000)
Transfer from right-of-use assets	–	–	–	–	489,655	–	489,655
Acquisition of new subsidiary companies	–	–	7,990	–	89,487	–	97,477
Translation reserve	–	–	683	1,697	–	–	2,380
At 31 March 2021	25,534,607	–	11,771,442	12,778,725	9,494,726	2,015,137	61,594,637
Accumulated depreciation							
At 31 March 2019, as previously reported	183,142	35,729	3,823,509	4,113,454	6,101,057	–	14,256,891
Adjustment on initial application of MFRS 16	–	(35,729)	–	–	(5,052,866)	–	(5,088,595)
At 1 April 2019, as restated	183,142	–	3,823,509	4,113,454	1,048,191	–	9,168,296
Charge for financial year	259,312	–	493,183	1,176,384	368,552	–	2,297,431
Disposals	–	–	–	(520)	–	–	(520)
Written off	–	–	(14,440)	(127,726)	–	–	(142,166)
Revaluation	(39,868)	–	–	–	–	–	(39,868)
Translation reserve	–	–	(24)	(94)	–	–	(118)
At 31 March 2020	402,586	–	4,302,228	5,161,498	1,416,743	–	11,283,055
Charge for financial year	263,779	–	984,453	1,670,649	1,052,878	–	3,971,759
Disposals	–	–	(856)	–	(392,255)	–	(393,111)
Written off	–	–	(21,585)	–	–	–	(21,585)
Transfer to investment properties	(410,232)	–	–	(3,891,228)	–	–	(4,301,460)
Transfer from right-of-use assets	–	–	–	–	399,373	–	399,373
Acquisition of new subsidiary companies	–	–	3,613	–	62,640	–	66,253
Translation reserve	–	–	434	1,075	–	–	1,509
	256,133	–	5,268,287	2,941,994	2,539,379	–	11,005,793
Net Carrying Amount							
At 31 March 2021	25,278,474	–	6,503,155	9,836,731	6,955,347	2,015,137	50,588,844
At 31 March 2020	34,257,414	–	1,084,116	6,722,433	1,012,439	–	43,076,402

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

The title deeds of the freehold land with carrying amount of RM9,536,607 (2020: Nil) have yet transferred to the Group as at the reporting date.

Freehold land and buildings with net carrying amount of RM11,780,000 (2020: RM18,938,080) are pledged to a licensed bank for a banking facility granted to a subsidiary company. Freehold land and building with net carrying amount of RM18,799,768 that are pledged to a licensed bank for banking facilities granted to a subsidiary company had been transferred to investment properties during the current financial year.

Analysis of land and buildings of the Group are as follows:-

	Freehold land RM	Freehold buildings RM	Leasehold land and buildings RM	Total RM
Valuation				
At 1 April 2019	20,976,790	12,139,710	19,724,095	52,840,595
Adjustment on initial application of MFRS 16	–	–	(19,724,095)	(19,724,095)
At 1 April 2019, as restated	20,976,790	12,139,710	–	33,116,500
Fair value adjustments	827,610	715,890	–	1,543,500
At 31 March 2020	21,804,400	12,855,600	–	34,660,000
Additions	11,084,607	1,000,000	–	12,084,607
Transfer to investment properties	(12,294,400)	(6,915,600)	–	(19,210,000)
Transfer to non-current asset held for sale	(2,000,000)	–	–	(2,000,000)
At 31 March 2021	18,594,607	6,940,000	–	25,534,607
Accumulated depreciation				
At 1 April 2019	–	183,142	35,729	218,871
Adjustment on initial application of MFRS 16	–	–	(35,729)	(35,729)
At 1 April 2019, as restated	–	183,142	–	183,142
Charge for the financial year	–	259,312	–	259,312
Fair value adjustments	–	(39,868)	–	(39,868)
At 31 March 2020	–	402,586	–	402,586
Charge for the financial year	–	263,779	–	263,779
Transfer to investment properties	–	(410,232)	–	(410,232)
At 31 March 2021	–	256,133	–	256,133
Net carrying amount				
31 March 2021	18,594,607	6,683,867	–	25,278,474
31 March 2020	21,804,400	12,453,014	–	34,257,414

Revaluation of land and buildings

The Group's land and buildings are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses.

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

Revaluation of land and buildings (Cont'd)

Fair value measurements of the land and buildings of the Group are categorised as follows:-

	2021 RM	2020 RM
Level 2		
Freehold land	18,594,607	21,804,400
Freehold buildings	6,683,867	12,453,014

There were no transfers between Level 1 and Level 2 during the financial year.

Level 2 fair values of freehold land and buildings have been derived using the comparison method of valuation. The comparison method of valuation entails comparing the sales price of the properties in close proximity and is 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.

External, independent and qualified valuers were appointed to determine the fair values of the land and buildings in 2018. The revaluation surplus net of applicable deferred tax is credited to other comprehensive income and is shown in "revaluation reserve" under the equity as disclosed in Note 19 to the Financial Statements.

If land and buildings are measured using the historical cost model, the carrying amounts would be as follows:-

	2021 RM	Group 2020 RM
Freehold land	17,523,204	14,870,597
Freehold buildings	5,851,632	8,290,796
Total net carrying amounts	23,374,836	23,161,393

	Company Office equipment RM
Cost	
At 1 April 2019/31 March 2020/31 March 2021	3,019
Accumulated depreciation	
At 1 April 2019/31 March 2020/31 March 2021	3,016
Net carrying amount	
At 31 March 2020/31 March 2021	3

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold land, leasehold building, outlet premises and motor vehicles used for its operations purposes. These leases are generally having lease terms of 2 to 50 years. There are several lease contracts that include extension options which are further discussed below.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group also has certain leases of premises and equipment with short-term leases. The Group applies "short-term leases" recognition exemption for such leases.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:-

Group	Leasehold land RM	Leasehold building RM	Outlet premises RM	Motor vehicles RM	Total RM
Cost					
At 1 April 2019	–	–	–	–	–
Adjustment on initial application of MFRS 16	390,000	19,334,095	2,045,915	21,614,179	43,384,189
At 1 April 2019, restated	390,000	19,334,095	2,045,915	21,614,179	43,384,189
Additions	2,487,135	927,995	2,215,895	1,723,793	7,354,818
Translation reserve	–	–	(3,041)	(1,434)	(4,475)
At 31 March 2020	2,877,135	20,262,090	4,258,769	23,336,538	50,734,532
Additions	–	260,000	13,655,712	19,711,431	33,627,143
Transferred to property, plant and equipment	–	–	–	(489,655)	(489,655)
Lease modification	–	–	(608,356)	–	(608,356)
Lease termination	–	–	(1,822,988)	–	(1,822,988)
Disposal	–	–	–	(259,395)	(259,395)
Translation reserve	–	–	9,956	11,652	21,608
At 31 March 2021	2,877,135	20,522,090	15,493,093	42,310,571	81,202,889
Accumulated depreciation					
At 1 April 2019	–	–	–	–	–
Adjustment on initial application of MFRS 16	1,960	33,769	–	5,052,866	5,088,595
At 1 April 2019, restated	1,960	33,769	–	5,052,866	5,088,595
Charge for the financial year	670,585	401,978	1,376,077	4,569,786	7,018,426
Translation reserve	–	–	(978)	(536)	(1,514)
At 31 March 2020	672,545	435,747	1,375,099	9,622,116	12,105,507
Charge for the financial year	669,115	408,177	2,477,731	6,005,561	9,560,584
Transferred to property, plant and equipment	–	–	–	(399,373)	(399,373)
Lease modification	–	–	(252,246)	–	(252,246)
Lease termination	–	–	(904,434)	–	(904,434)
Disposal	–	–	–	(222,343)	(222,343)
Translation reserve	–	–	2,868	5,228	8,096
At 31 March 2021	1,341,660	843,924	2,699,018	15,011,189	19,895,791
Net carrying amount					
At 31 March 2021	1,535,475	19,678,166	12,794,075	27,299,382	61,307,098
At 31 March 2020	2,204,590	19,826,343	2,883,670	13,714,422	38,629,025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

	2021 RM	Group 2020 RM
<u>Current</u>		
- Within 1 year	10,690,319	5,432,912
<u>Non-current</u>		
- more than 1 year but less than 5 years	30,690,796	12,563,676
- more than 5 years	216,807	68,541
	30,907,603	12,632,217
	41,597,922	18,065,129

The lease liabilities bear interest at rates ranging from 2.39% to 4.35% (2020: 2.39% to 4.35%) per annum.

Set out below are the movements of the lease liabilities during the financial year:-

	2021 RM	Group 2020 RM
At 1 April, as previously reported	18,065,129	14,849,833
Adjustment on initial application of MFRS 16	–	2,072,362
As 1 April, as restated	18,065,129	16,922,195
Additions	30,715,971	6,417,234
Addition on acquisition of subsidiary	6,476	–
Accretion of interest	1,339,882	1,225,900
Payments		
- Principal	(5,797,894)	(5,274,300)
- Interest	(1,339,882)	(1,225,900)
Rental rebates	(67,720)	–
Lease modification	(371,565)	–
Lease termination	(966,332)	–
Translation reserve	13,857	–
At 31 March	41,597,922	18,065,129

The following are the amounts relating to right-to-use assets and lease liabilities recognised in profit or loss or cash flows:-

	2021 RM	Group 2020 RM
Depreciation of right-of-use assets	9,560,584	7,018,426
Interest expense on lease liabilities	1,339,882	1,225,900
Payments/Expenses related to short-term leases:-		
- outlet premises	478,473	614,649
- accommodation	–	13,200
- equipment	609,411	416,599

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)**Extension options**

The Group has certain contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether the extension options are reasonably certain to be exercised. The Group's management holds on the decision to take up the following option for renewal and assessment is prepared without taking in the option period.

	Within 5 years RM
Extension option not reasonably certain to be exercised	
- 2021	2,160,000
- 2020	2,280,000

6. INVESTMENT PROPERTIES

The details of investment properties are as follows:-

Group	Freehold land RM	Freehold buildings and renovation RM	Total RM
Cost			
At 1 April 2019	–	6,031,370	6,031,370
Additions through acquisition of a subsidiary company	13,044,100	–	13,044,100
Disposal	(13,044,100)	–	(13,044,100)
At 31 March 2020	–	6,031,370	6,031,370
Transfer from property, plant and equipment	12,294,400	11,906,278	24,200,678
Disposal	–	(1,371,340)	(1,371,340)
At 31 March 2021	12,294,400	16,566,308	28,860,708
Accumulated depreciation			
At 1 April 2019	–	389,237	389,237
Charge for the financial year	–	120,628	120,628
At 31 March 2020	–	509,865	509,865
Charge for the financial year	–	106,914	106,914
Transfer from property, plant and equipment	–	4,301,460	4,301,460
Disposal	–	(88,642)	(88,642)
At 31 March 2021	–	4,829,597	4,829,597
Net carrying amount			
31 March 2021	12,294,400	11,736,711	24,031,111
31 March 2020	–	5,521,505	5,521,505

6. INVESTMENT PROPERTIES (CONT'D)

The details of investment properties are as follows (Cont'd):-

Group (Cont'd)	Freehold land RM	Freehold buildings and renovation RM	Total RM
Fair values of investment properties			
- 2021	12,295,000	11,737,000	24,032,000
- 2020	–	6,250,000	6,250,000

The market values at the reporting date were estimated based on valuations performed by independent and external professional valuers, using the comparison and cost methods.

The title deeds of freehold buildings with net carrying amount of RM4,131,893 (2020: RM5,521,505) have yet to be obtained by the Group at the reporting date and are in the process of being transferred to the Group.

Freehold land and building with net carrying amount of RM19,899,218 (2020: RM20,536,598) which are pledged to a licensed bank for banking facilities granted to the Group had been transferred from property, plant and equipment to investment properties during the financial year.

7. SUBSIDIARY COMPANIES

7.1 Investment in subsidiary companies

	2021 RM	Company 2020 RM
At cost		
Unquoted shares	105,003,523	52,003,621
Less: Accumulated impairment loss		
At 1 April	(9,327,693)	(9,327,693)
Recognised	(339,256)	–
At 31 March	(9,666,949)	(9,327,693)
	95,336,574	42,675,928

Details of the subsidiary companies are as follows:-

Name of company	Effective interest 2021 %	Effective interest 2020 %	Principal activities	Principal place of business
MGudang Sdn. Bhd. ("MGSB")	74.51	100	Investment holding	Malaysia
MMatrix Sdn. Bhd.	100	100	Provisions of courier and delivery services	Malaysia

7. SUBSIDIARY COMPANIES (CONT'D)**7.1 Investment in subsidiary companies (Cont'd)**

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

Name of company	Effective interest 2021 %	Effective interest 2020 %	Principal activities	Principal place of business
United ICT Consortium Sdn. Bhd.	100	100	Investment holding	Malaysia
Line Clear Ventures Holdings Sdn. Bhd. (formerly known as Line Clear Logistics Holdings Sdn. Bhd.) ("LCVH")#	100#	–	Investment holding	Malaysia
Line Clear Express & Logistics Sdn Bhd. ("LCEL")	–	100#	Provisions of courier and delivery services	Malaysia
Inventure Conglomerate Sdn. Bhd.	100	100	Distribution of telecommunication products, services, accessories and devices and other multimedia hardware and software	Malaysia
Vsurf Sdn. Bhd. ("VSURF")	100	100	Provision of electronic commerce services related	Malaysia
MMantap Sdn. Bhd.	100	100	Dormant	Malaysia
Held under LCVH				
LCEL	100	–	Provisions of courier and delivery services	Malaysia
Line Clear Express & Logistics (S) Pte. Ltd. ("LCELS")*	60	60#	Provisions of courier and delivery services	Singapore
Line Clear Freight Forwarding Sdn. Bhd.	100	100#	Dormant	Malaysia
Line Shield Sdn. Bhd.	100	100#	Insurance agent	Malaysia
KMN Express Sdn. Bhd. ("KMN")	100	–	Provision of courier and delivery services	Malaysia
Line Clear Express (KT) Sdn. Bhd. ("LCKT")	100	–	Dormant	Malaysia
Line Haul Sdn. Bhd.	–	100#	Engaged in business transportation, haulage and freight consolidation	Malaysia

7. SUBSIDIARY COMPANIES (CONT'D)

7.1 Investment in subsidiary companies (Cont'd)

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

Name of company	Effective interest 2021 %	2020 %	Principal activities	Principal place of business
Held under United ICT Consortium Sdn. Bhd.				
MMAG Digital Sdn. Bhd.	100	100	Investment holding and distributor of information technology products	Malaysia
Inconnexion Communication Sdn. Bhd.	100	100	Dormant	Malaysia
MMAG Online Sdn. Bhd.	100	100	Dormant	Malaysia
Held under MMAG Digital Sdn. Bhd.				
MMegah Sdn. Bhd.	100	100	Distribution of telecommunication products, services, accessories and devices and other multimedia hardware and software	Malaysia
Held under MGudang Sdn. Bhd.				
H&H Ecowood Products Sdn. Bhd.	100	100	Property investment	Malaysia
Active Trio Deluxe Sdn. Bhd. ("ATD")	100	100	Dormant	Malaysia

* Audited by a firm other than Grant Thornton Malaysia PLT

The Group has undertaken and completed an internal reorganisation of group structure, which entailed the transfer of shares in the above subsidiary companies to LCVH.

7. SUBSIDIARY COMPANIES (CONT'D)

7.1 Investment in subsidiary companies (Cont'd)

Incorporation, acquisition, subscription of shares of subsidiary companies

- (a) On 5 May 2020, the Company subscribed further 99,900 ordinary shares in VSURF by way of capitalisation of amount due by VSURF amounting to RM99,900.
- (b) On 28 May 2020, the Company subscribed further 35,000,000 ordinary shares in LCEL by way of capitalisation of amount due by LCEL amounting to RM35,000,000.
- (c) On 2 July 2020, the Company incorporated a wholly-owned subsidiary company, LCVH with a paid-up capital of RM2. Subsequently, the Company subscribed further 55,000,000 new ordinary shares for a total consideration of RM55,000,000 by way of capitalisation of amount due from subsidiary companies.
- (d) On 15 July 2020, the Company subscribed further 17,900,000 ordinary shares in MGSB by way of capitalisation of amount due by MGSB amounting to RM17,900,000.
- (e) On 10 August 2020, LCVH entered into Shares Sale Agreements ("SSA") with a third party to acquire 60,000 ordinary shares representing 60% of the total issued and paid-up share capital in KMN for a total consideration of RM550,000. The acquired subsidiary company had generated a net loss of RM11,090 during the financial year.
- (f) On 14 August 2020, LCVH subscribed 60% of a newly incorporated subsidiary company, LCKT with a cash subscription of RM6. The intended business activity of such subsidiary company is provision of courier services.
- (g) On 11 September 2020, the Company entered into a SSA with a third party to acquire entire equity interest in Maasdots Sdn. Bhd. ("Maasdots") for a total consideration of RM100,000. The acquired subsidiary company had generated a net loss of RM231,701 during the financial year.

7. SUBSIDIARY COMPANIES (CONT'D)

7.1 Investment in subsidiary companies (Cont'd)

Incorporation, acquisition, subscription of shares of subsidiary companies (Cont'd)

The fair values of the assets and liabilities acquired and the goodwill arising are as follows:-

2021	Maasdots RM	KMN RM	Total RM
Property, plant and equipment	–	31,224	31,224
Receivables	14,000	532,378	546,378
Cash and bank balances	100	117,832	117,932
Deferred tax liabilities	–	(2,553)	(2,553)
Payables	(124,524)	(652,238)	(776,762)
Lease liabilities	–	(6,476)	(6,476)
Total identifiable (liabilities) and assets	(110,424)	20,167	(90,257)
Non-controlling interest	–	(8,067)	(8,067)
Goodwill recognised at date of acquisition	210,424	537,900	748,324
Fair value of consideration transferred	100,000	550,000	650,000
Less: Cash and bank balances acquired	(100)	(117,832)	(117,932)
Net cash outflow arising from acquisition of subsidiary companies during the year	99,900	432,168	532,068
2020			ATD RM
Investment property			13,044,100
Other receivables			6,664
Cash and bank balances			3,431
Other payables			(1,740)
Total identifiable assets			13,052,455
Negative goodwill			(382,455)
Fair value of consideration transferred			12,670,000
Less: Cash and bank balances acquired			(3,431)
Less: Deposit paid in prior years			(3,801,000)
Net cash outflow arising from acquisition of a subsidiary company during the year			8,865,569

Disposal of subsidiary companies

- On 31 December 2020, the Company entered into a SSA with a third party to dispose of its 100% equity interest in Maasdots for a total cash consideration of RM100,000.
- On 18 March 2021, LCVH entered into a SSA with a third party to dispose of its 100% equity interest in Line Haul for a total cash consideration of RM3,000,000.

7. SUBSIDIARY COMPANIES (CONT'D)

7.1 Investment in subsidiary companies (Cont'd)

Disposal of subsidiary companies (Cont'd)

The effects of the disposal of Maasdots and Line Haul on the financial position of the Group as at the date of disposal are as follows:-

2021	Maasdots RM	Line Haul RM	Total RM
Receivables	14,000	1,895,274	1,909,274
Cash and bank balances	3,218	9,642	12,860
Payables	(359,343)	(961,940)	(1,321,283)
Tax payable	–	(109,000)	(109,000)
Total net (liabilities)/assets upon disposal	(342,125)	833,976	491,851
Goodwill derecognised	210,424	–	210,424
Gain on disposal of subsidiary companies	231,701	2,166,024	2,397,725
Proceeds consideration	100,000	3,000,000	3,100,000
Less: Cash and bank balances disposed	(3,218)	(9,642)	(12,860)
Net cash inflow arising from disposal of subsidiary companies during the year	96,782	2,990,358	3,087,140

2020	MMAG Capital Sdn Bhd RM
Amount due from MMAG Holdings Berhad	1,997,404
Cash and bank balances	1,035
Other payables	(3,386)
Total net assets upon disposal	1,995,053
Gain on disposal of subsidiary company	54,947
Proceeds consideration	2,050,000
Less: Offset with amount due from MMAG Holdings Berhad	(1,997,404)
Less: Cash and bank balances disposed	(1,035)
Net cash inflow arising from disposal of subsidiary companies during the year	51,561

Changes in ownership interests in subsidiary companies

- (a) On 3 August 2020, MGSB entered into a subscription agreement with a third party for the issuance and allotment of 2,500,000 new ordinary shares (representing 11.63% of the enlarged total number of issued shares) for a cash subscription price of RM2,500,000.

On 24 February 2021, MGSB entered into another subscription agreement with another third party for the issuance and allotment of 4,000,000 new ordinary shares (representing 15.69% of the enlarged total number of issued shares) for a total cash subscription of RM4,000,000. As a result, the Company's effective equity interest in MGSB has diluted from 100% to 74.51%. The Group recognised an increase in non-controlling interests of RM6,152,629 and a decrease in accumulated losses of RM347,371.

7. SUBSIDIARY COMPANIES (CONT'D)

7.1 Investment in subsidiary companies (Cont'd)

Changes in ownership interests in subsidiary companies (Cont'd)

- (b) On 31 December 2020, a wholly-owned subsidiary company, LCVH acquired the remaining 40% equity interest in KMN for RM240,000 in cash, increasing its ownership from 60% to 100%. The Group recognised a decrease in non-controlling interests of RM8,067 and an increase in accumulated losses of RM231,933.
- (c) On 31 December 2020, a wholly-owned subsidiary company, LCVH acquired the remaining 40% equity interest in LCKT for RM4 in cash, increasing its ownership from 60% to 100%.

7.2 Amounts due from/(to) subsidiary companies

Amounts due from/(to) subsidiary companies are non-trade in nature, unsecured, bear no interest and repayable on demand.

	2020 RM	Company 2019 RM
Amount due from subsidiary companies	177,325,370	171,276,095
Less: Allowance for expected credit losses		
At 1 April	(7,392,491)	(7,392,491)
Recognised	(867,967)	–
At 31 March	(8,260,458)	(7,392,491)
	169,064,912	163,883,604
Amount due to subsidiary companies	(1,537,188)	(1,550,000)

7.3 Non-controlling interests ("NCI")

The Group's subsidiary companies that have material NCI are as follows:-

2021	MGSB	LCELS	Total
Percentage of ownership interest and voting interest held by NCI as at the end of financial year (%)	25.49%	40%	
Carrying amount of NCI (RM)	6,068,916	255,406	6,324,322
Net (loss)/profit allocated to NCI (RM)	(83,713)	131,893	48,180
Total comprehensive (loss)/profit allocated to NCI (RM)	(83,713)	135,935	52,222

2020	LCELS	Total
Percentage of ownership interest and voting interest held by NCI as at the end of financial year (%)	40%	
Carrying amount of NCI (RM)	119,471	119,471
Net loss allocated to NCI (RM)	195,600	195,600
Total comprehensive loss allocated to NCI (RM)	194,000	194,000

7. SUBSIDIARY COMPANIES (CONT'D)

7.3 Non-controlling interests ("NCI") (Cont'd)

The summary of financial information before intra-group elimination of the Group's subsidiary companies that has NCI are as below:-

	MCSB RM	LCELS RM
Financial position as at 31 March 2021		
Non-current assets	28,201,763	481,257
Current assets	10,153,832	1,037,108
Non-current liabilities	(431,693)	(252,949)
Current liabilities	(14,114,895)	(626,901)
Net assets	23,809,007	638,515
Summary of financial performance for the financial year ended 31 March 2021		
Net (loss)/profit for the financial year	(328,415)	329,733
Total comprehensive (loss)/profit for the financial year	(328,415)	339,838
Summary of cash flows for the financial year ended 31 March 2021		
Net cash (used in)/from operating activities	(2,520,349)	487,425
Net cash (used in)/from investing activities	(14,049,699)	2,562
Net cash from/(used in) financing activities	16,590,034	(520,011)
Net changes in cash and cash equivalents	19,986	(30,024)
Financial position as at 31 March 2020		
Non-current assets		796,312
Current assets		736,016
Non-current liabilities		(497,991)
Current liabilities		(735,478)
Net assets		298,859
Summary of financial performance for the financial year ended 31 March 2020		
Net loss for the financial year		(489,001)
Total comprehensive loss for the financial year		(484,917)
Summary of cash flows for the financial year ended 31 March 2020		
Net cash used in operating activities		(33,915)
Net cash used in investing activities		(4,922)
Net cash used in financing activities		(69,488)
Net changes in cash and cash equivalents		(108,325)

8. INVESTMENT IN AN ASSOCIATE COMPANY

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Quoted shares, at cost				
- Ordinary shares	–	16,784,100	–	16,784,100
- Irredeemable convertible preference shares ("ICPS")	–	10,500,000	–	10,500,000
	–	27,284,100	–	27,284,100
Share of post-acquisition reserves	–	(6,671,966)	–	–
Less: Accumulated impairment loss	–	(445,414)	–	(7,117,380)
	–	20,166,720	–	20,166,720

In prior year, included in investment in an associate company are ordinary shares and ICPS amounted to RM16,514,100 and RM10,500,000 respectively pledged for a banking facility of the Company.

Details of the associate company which the principal place of business is in Malaysia are as follows:-

Name of company	Effective interest		Principal activities
	2021 %	2020 %	
Hong Seng Consolidated Berhad (formerly known as MSCM Holdings Berhad) ("HSCB")	–	31	Investment holding; development and provision of software solutions; money lending; publishing business directory journals; database marketing and supply chain management

On 27 April 2020, the Company disposed partial of the equity interest in HSCB comprising 2,848,700 ordinary shares for a consideration of RM373,892. On 5 August 2020, the Company had entered into another SSA with a third party to dispose 95,207,300 ordinary shares in HSCB for a cash consideration of RM18,089,387 and a SSA with another third party to dispose 75,168,000 warrants in HSCB for a cash consideration of RM751,680. The Company also disposed 170,000,000 ICPS of HSCB for a cash consideration of RM10,196,439.

The following table summarises the information of the Group's associate company:-

	HSCB RM
Financial position as at 31 March 2020	
Non-current assets	11,175,861
Current assets	54,349,873
Non-current liabilities	(869,013)
Current liabilities	(3,329,059)
Net assets	61,327,662

8. INVESTMENT IN AN ASSOCIATE COMPANY (CONT'D)

The following table summarises the information of the Group's associate company (Cont'd):-

	HSCB RM
Summary of financial performance for the financial year ended 31 March 2020	
Net loss for the financial year	(7,434,327)
Other comprehensive loss for the financial year	(232,059)
Total comprehensive loss for the financial year	(7,666,386)
Reconciliation of net assets to carrying amount as at 31 March 2020	
Group's share of net assets in the statements of financial position	17,119,180
Goodwill upon acquisition	3,492,954
Less: Accumulated impairment loss	(445,414)
	20,166,720
Group's share of results for the financial year ended 31 March 2020	
Group's share of net loss recognised in profit or loss	(2,667,709)
Group's share of net loss recognised in other comprehensive loss	(57,914)
	(2,725,623)

9. OTHER INVESTMENTS

	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
Non-current				
Equity instruments designated at fair value through OCI:-				
Quoted in Malaysia				
- ordinary shares	6,917,978	-	6,917,978	-
- irredeemable convertible preference shares	58,000,000	-	58,000,000	-
Unquoted in Malaysia				
- ordinary shares	1,300,000	-	-	-
	66,217,978	-	64,917,978	-

The quoted ordinary shares in Malaysia are pledged for a banking facility of the Group and of the Company.

10. INTANGIBLE ASSETS

Group	E-commerce & mobile apps RM	Customer list and relationship RM	Total RM
Cost			
At 1 April 2019/31 March 2020	11,401,893	–	11,401,893
Additions	25,177	120,000	145,177
At 31 March 2021	11,427,070	120,000	11,547,070
Accumulated amortisation			
At 1 April 2019/31 March 2020/2021	10,825,000	–	10,825,000
Accumulated impairment			
At 1 April 2019/31 March 2020	–	–	–
Impairment for the financial year	602,070	–	602,070
At 31 March 2021	602,070	–	602,070
Net carrying amount			
At 31 March 2021	–	120,000	120,000
At 31 March 2020	576,893	–	576,893

In prior year, included in intangible assets with carrying amount of RM576,893 was E-commerce and mobile apps under development. The carrying amount was stated at cost and not depreciated until they are completed and ready for their intended use.

Based on the assessment at the reporting date, the carrying amount of the E-commerce & mobile apps was determined to be higher than its recoverable amount, therefore an impairment loss of RM602,070 was recognised.

11. GOODWILL ON CONSOLIDATION

	2021 RM	Group 2020 RM
At 1 April	9,845,410	9,845,410
Arising from acquisition of a subsidiary company	537,900	–
At 31 March	10,383,310	9,845,410

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

11. GOODWILL ON CONSOLIDATION (CONT'D)

The aggregate carrying amounts of goodwill allocated to each unit are as follows:-

	2021 RM	Group 2020 RM
Mobile & fulfilments	9,412,918	9,412,918
Courier and logistic services	801,524	263,624
Others	168,868	168,868
	10,383,310	9,845,410

The recoverable amount for the above is based on its value in use and is determined by discounting the future cash flows generated from the continuing use of those units based on the following key assumptions:-

- (i) cash flows are projected based on actual operating results and a 5 (2020: 5) years business plan;
- (ii) revenue is projected at anticipated annual revenue growth rate of 5% (2020: 2%) per annum;
- (iii) expenses are projected increase at an annual rate of 2% (2020: 3%) per annum; and
- (iv) a pre-tax discount rate of 5.4% (2020: 5.6%) is applied in determining the recoverable amount of the units.

With regards to the assessments of value-in-use, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

12. INVENTORIES

	2021 RM	Group 2020 RM
Trading goods	4,291,966	4,911,418
Less: Allowance for slow moving inventories		
At 1 April	(1,410,686)	(1,483,670)
Written off	–	72,984
At 31 March	(1,410,686)	(1,410,686)
	2,881,280	3,500,732
<u>Recognised in profit or loss:-</u>		
Inventories recognised as cost of sales	162,669,283	148,562,240
Inventories written off recognised as other expenses	24,194	–

13. CONTRACT ASSETS

	2021 RM	Group 2020 RM
Revenue recognised to-date	6,523,371	–
Invoices issued to-date	(4,555,637)	–
	1,967,734	–

14. TRADE RECEIVABLES

	2021 RM	Group 2020 RM
Trade receivables	35,378,668	34,461,555
Less: Allowance for expected credit losses		
At 1 April	(7,039,269)	(6,415,555)
Recognised	(2,186,754)	(1,039,086)
Recovered	479,917	415,372
At 31 March	(8,746,106)	(7,039,269)
	26,632,562	27,422,286

The normal trade credit terms granted by the Group to the trade receivables ranging from 1 to 90 days (2020: 1 to 90 days) and are non-interest bearing.

15. OTHER RECEIVABLES

	2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Non-trade receivables	17,438,083	654,453	8,703,000	50,000
Less: Allowance for expected credit losses				
At 1 April	–	–	–	–
Recognised	(2,000,000)	–	–	–
At 31 March	(2,000,000)	–	–	–
Deposits	15,438,083	654,453	8,703,000	50,000
Prepayments	19,435,131	6,621,341	10,681,500	246
GST receivable	2,041,230	128,920	18,816	16,474
	160,653	533,616	–	21,049
	37,075,097	7,938,330	19,403,316	87,769

Included in deposits of the Group are RM6,282,118 (2020: RM2,988,528) of earnest deposits paid in regards to conditional sale and purchase agreements ("SPA") entered for the proposed acquisition of freehold land and buildings.

15. OTHER RECEIVABLES (CONT'D)

Included in deposits of the Group and the Company are RM10,678,500 (2020: Nil) paid in relation for the acquisition of 80% equity interest in M Jets International Sdn. Bhd., details as disclosed in Notes 31 and 35(e) to the Financial Statements.

16. NON-CURRENT ASSET HELD FOR SALE

The non-current asset held for sale is as follows:-

	Group 2021 RM
Freehold land	
At 1 April	–
Transferred from property, plant and equipment (Note 5)	2,000,000
At 31 March	2,000,000

On 8 February 2021, the Group entered into a SPA to dispose the freehold land. The transaction has completed on 21 May 2021.

17. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued and fully paid up:-				
Ordinary shares with no par value				
At 1 April	718,312,213	682,419,563	141,773,872	134,528,022
Issuance of shares	414,282,612	35,892,650	104,556,414	7,245,850
At 31 March	1,132,594,825	718,312,213	246,330,286	141,773,872

The holders of ordinary shares are entitled to receive dividends as and when declare by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

18. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group and Company			
	Number of shares		Amount	
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued and fully paid up:-				
At 1 April	345,055,118	380,459,518	17,252,756	19,022,976
Conversion of shares	(315,998,900)	(35,404,400)	(15,799,945)	(1,770,220)
At 31 March	29,056,218	345,055,118	1,452,811	17,252,756

18. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONT'D)

The salient terms of the ICPS are as follows:-

- (a) The shares were issued at RM0.05 each and are convertible within 5 years commencing from the issuance of the ICPS with conversion ratio and the conversion price is determined as follows:-
 - (i) The conversion price for the ICPS to be converted into 1 new ordinary share of the Company at RM0.20 based on the conversion ratio; and
 - (ii) The conversion ratio of the ICPS for 1 new ordinary share of the Company is either by 4 ICPS to be converted into 1 ordinary share or a combination of 1 ICPS and RM0.15 in cash for 1 ordinary share.
- (b) Any remaining ICPS that are not converted within 5 years commencing from the issuance of the ICPS shall be automatically converted into ordinary shares of the Company at the conversion ratio of 4 ICPS to be converted into 1 ordinary share.
- (c) The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be in priority over the ordinary shares of the Company.
- (d) The ICPS holders are not entitled to any voting right until and unless such holders convert their ICPS into ordinary shares except for the following circumstances:-
 - (i) when the dividend or part of dividend on the ICPS is in arrears for more than 6 months; or
 - (ii) on a proposal to reduce the capital of the Company's shares; or
 - (iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking; or
 - (iv) on a proposal that directly affects the rights and privileges attached to the ICPS; or
 - (v) on a proposal to wind-up the Company; or
 - (vi) during the winding-up of the Company.

19. RESERVES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable:-				
<u>Revaluation reserve</u>				
At 1 April	9,365,180	8,045,955	–	–
Revaluation surplus	–	1,583,368	–	–
Deferred tax relating to revaluation surplus	–	(264,143)	–	–
Change in tax rate	510,225	–	–	–
At 31 March	9,875,405	9,365,180	–	–
<u>Warrant reserve</u>				
At 1 April	28,965,858	29,033,178	28,965,858	29,033,178
Conversion of shares	(3,390,099)	(67,320)	(3,390,099)	(67,320)
At 31 March	25,575,759	28,965,858	25,575,759	28,965,858
<u>Merger deficit</u>				
At 1 April/31 March	(7,900,000)	(7,900,000)	–	–

19. RESERVES (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable (Cont'd):-				
<u>Exchange translation reserve</u>				
At 1 April	(240,472)	(185,042)	–	–
Recognised in other comprehensive income	267,585	(55,430)	–	–
At 31 March	27,113	(240,472)	–	–
<u>Fair value reserve</u>				
At 1 April	–	–	–	–
Fair value gain on remeasurement of financial assets	55,148,176	–	55,148,176	–
At 31 March	55,148,176	–	55,148,176	–
Total non-distributable reserves	82,726,453	30,190,566	80,723,935	28,965,858
Distributable:-				
(Accumulated losses)/Retained earnings	(111,433,113)	(88,452,559)	16,295,548	10,189,325
Total reserves	(28,706,660)	(58,261,993)	97,019,483	39,155,183

Warrants 2017/2022

The Company had on 20 November 2017 allotted and issued 151,834,154 ordinary shares pursuant to rights issue ("rights shares") together with 227,751,203 warrants at an issue price of RM0.25 each on the basis of 3 warrants for every 2 right shares subscribed each warrant. Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 28 November 2017 to 27 November 2022, at an exercise price of RM0.20 in accordance with a deed poll. Any warrant not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

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

During the financial year, 26,589,012 warrants had been exercised. As at 31 March 2021, there are 200,594,191 warrants remained not exercised.

20. BORROWINGS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Secured				
Term loans:-				
- Current	3,899,435	14,764,980	3,514,566	14,403,631
- Non-current	3,234,107	3,391,457	–	–
	7,133,542	18,156,437	3,514,566	14,403,631
Repayment terms:-				
- not later than 1 year	3,899,435	14,764,980	3,514,566	14,403,631
- between 1 to 2 years	399,951	377,385	–	–
- between 2 to 5 years	1,296,091	1,235,367	–	–
- later than 5 years	1,538,065	1,778,705	–	–
	7,133,542	18,156,437	3,514,566	14,403,631

The particulars of term loans are as follows:-

	Group	
	2021 RM	2020 RM
Term loans:-		
(a) A term loan of RM5,529,000 which is repayable over 180 monthly installments of RM43,126 upon full drawdown	3,618,976	3,752,806
(b) A term loan of RM14,500,000 which is repayable within 3 months after the drawdown and roll forward option is available subsequently with 0.25% conversion fee	–	14,403,631
(c) A term loan of RM14,500,000 which is repayable within 3 months after the drawdown and roll forward option is available subsequently with no conversion fee	3,514,566	–
	7,133,542	18,156,437

The term loan (a) is secured by:-

- (a) First party legal charge over the freehold land and buildings of the Group;
- (b) Corporate guarantee by the Company;
- (c) Personal guarantee by an former Director of the Company;
- (d) Pledge of fixed deposits with licensed banks; and
- (e) Deed of assignment of benefits of contracts.

The term loans (b) and (c) are secured by:-

- (a) Signed Margin Financing Agreement;
- (b) Personal guarantee by a Director; and
- (c) Certain shares quoted on Bursa Malaysia Securities Berhad held by the Directors and shares invested in the associate company and other investments as disclosed in Notes 8 and 9 to the Financial Statements.

The term loans bear interest at rates ranging from 3.60% to 8.50% (2020: 3.58% to 8.50%) per annum.

21. DEFERRED TAX LIABILITIES

	2021 RM	Group 2020 RM
At 1 April	1,900,250	1,636,107
Additions through acquisition of a subsidiary company (Note 7.1)	2,553	–
Decrease in deferred tax liabilities due to change in tax rate as a result of transfer of revalued freehold land and building from property, plant and equipment to investment properties	(510,225)	–
Recognised in other comprehensive income	–	264,143
At 31 March	1,392,578	1,900,250

The deferred tax liabilities as at the end of the reporting year are made up of tax effects on temporary differences arising from:-

	2021 RM	Group 2020 RM
Carrying amounts of property, plant and equipment in excess of their tax bases	10,198	7,645
Revaluation surplus of property, plant and equipment	1,382,380	1,892,605
	1,392,578	1,900,250

22. TRADE PAYABLES**Group**

The normal trade credit terms granted by the trade payables ranging from 30 to 45 days (2020: 30 to 180 days) and are non-interest bearing.

Included in trade payables is RM1,969,448 (2020: Nil) due to a company in which a Director of a subsidiary has interest.

23. OTHER PAYABLES

	2021 RM	Group 2020 RM	Company 2021 RM	2020 RM
Non-trade payables	16,683,728	17,402,948	1,308,072	13,313,854
Accruals	2,450,381	2,482,499	48,200	44,000
Advances received from customers	739,150	1,192,043	–	–
Deposits received	672,203	–	–	–
SST/GST payables	833,085	655,863	1,622	1,732
	21,378,547	21,733,353	1,357,894	13,359,586

23. OTHER PAYABLES (CONT'D)

Included in non-trade payables of the Group and of the Company are RM1,500 and RM1,500 (2020: RM4,492,000 and RM42,000) due to the Directors of the Company. Included in non-trade payables of the Group is RM52,575 (2020: Nil) due to a former Director. These amounts are unsecured, non-interest bearing and repayable on demand.

Included in non-trade payables of the Group are RM2,200,000 deposit received from a third party for the disposal of partial interest of a subsidiary company which disclosed in Note 35(i) to the Financial Statements.

Included in deposits received are RM319,750 (2020: Nil) earnest deposits received in regards of conditional SPA entered for disposal of freehold land as disclosed in Notes 16 and 35(g) to the Financial Statements.

24. REVENUE

24.1 Disaggregated revenue information

Group	2021 RM	2020 RM
Revenue from contracts with customers		
- Mobile & fulfilments	180,371,940	156,192,208
- Courier and logistic services	42,377,151	26,348,604
- Commission income	12,193	–
	222,761,284	182,540,812
Revenue from other sources		
- Rental income	33,670	–
	222,794,954	182,540,812
Geographical market		
- Malaysia	218,455,612	178,832,457
- Singapore	4,339,342	3,708,355
	222,794,954	182,540,812
Timing of revenue recognition		
- Recognised at a point in time	222,761,284	182,540,812

24.2 Performance obligations

The performance obligation for the sale of information technology products is satisfied upon delivery of goods and services rendered to customers. The performance obligation for courier and logistic services are satisfied upon services are rendered and has present right to the payments for the services. None of the following is applicable for the revenue from contract with customers:-

- variable consideration;
- obligation for returns or refund; and
- warranty.

25. OTHER INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Gain on disposal of subsidiary companies	2,397,725	54,947	–	47,405
Gain on disposal of an associate company	10,363,827	–	10,844,678	–
Gain on disposal of property, plant and equipment	112,418	2,926	–	–
Gain on disposal of right-of-use assets	27,113	–	–	–
Bargain purchase on acquisition of a subsidiary company	–	382,455	–	–
Franchise fee	629,500	–	–	–
Rental income	936,557	906,579	–	–
Rental rebates	67,720	–	–	–
Gain on lease modification/termination	63,233	–	–	–
Others	1,129,989	92,186	659,752	–
	15,728,082	1,439,093	11,504,430	47,405

26. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
- statutory audit fee	188,000	151,000	45,000	40,000
- others	16,000	46,000	6,000	9,000
- other external auditor:				
statutory audit fee	11,610	11,610	–	–
Realised loss on foreign exchange	31,736	8,466	–	–

26. (LOSS)/PROFIT BEFORE TAX (CONT'D)

The details of the remuneration received/receivable by the Directors of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Directors:-				
<u>Directors of the Company</u>				
Salaries and other emoluments	912,591	1,171,181	672,591	811,181
Defined contribution plan	102,222	128,605	77,670	85,176
Fees	18,000	22,250	18,000	22,250
	1,032,813	1,322,036	768,261	918,607
<u>Directors of the subsidiary companies</u>				
Salaries and other emoluments	339,986	819,031	175,000	300,000
Defined contribution plan	49,048	107,459	21,000	36,000
	389,034	926,490	196,000	336,000
	1,421,847	2,248,526	964,261	1,254,607
Non-executive Directors:-				
<u>Directors of the Company</u>				
Salaries and other emoluments	70,500	77,500	70,500	77,500
Fees	28,500	26,750	28,500	26,750
	99,000	104,250	99,000	104,250
Total Directors' remuneration	1,520,847	2,352,776	1,063,261	1,358,857

27. TAX EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax:-				
- current year	116,880	-	-	-
- underprovision in prior year	27,005	3,234	-	-
	143,885	3,234	-	-

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

27. TAX EXPENSE (CONT'D)

A reconciliation of income tax expense on (loss)/profit before tax with the applicable statutory income tax rate is as follows:-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(Loss)/Profit before tax	(22,903,927)	(28,072,186)	6,106,223	(10,327,347)
Income tax at rate of 24% (2020: 24%)	(5,496,942)	(6,737,325)	1,465,494	(2,478,563)
Tax effect in respect of:-				
Expenses not deductible for tax purposes	2,814,773	2,535,325	1,295,569	2,478,563
Income not subject to tax	(3,526,951)	–	(2,761,063)	–
Movement of deferred tax assets not recognised	6,326,000	4,202,000	–	–
Underprovision in prior year	27,005	3,234	–	–
	143,885	3,234	–	–

As at the end of the reporting year, the temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group	
	2021 RM	2020 RM
Carrying amounts of property, plant and equipment in excess of their tax bases	1,157,000	1,004,000
Expected credit losses of trade receivables	(8,742,000)	(6,970,000)
Right-of-use assets	(4,913,000)	(3,388,000)
Unutilised capital allowances	(18,913,000)	(14,191,000)
Unabsorbed tax losses	(85,398,000)	(66,904,000)
Allowance for slow moving inventories	(1,410,000)	(1,410,000)
	(118,219,000)	(91,859,000)

The potential deferred tax assets are not recognised in the financial statements as the Directors opined that such amounts will not be able to be utilised in the near future.

The above unutilised capital allowances and unabsorbed tax losses of the Group and can be carried forward to offset against future taxable profits of the Group.

27. TAX EXPENSE (CONT'D)

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unabsorbed tax losses can only be carried forward until the following year of assessment:-

	2021 RM	Group 2020 RM
Year of assessment 2025	31,669,000	38,812,000
Year of assessment 2026	12,376,000	12,376,000
Year of assessment 2027	15,591,000	15,716,000
Year of assessment 2028	25,762,000	–
	85,398,000	66,904,000

28. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year as follows:-

	2021 RM	Group 2020 RM
Net loss for the financial year attributable to owners of the Company	(23,095,995)	(27,879,820)
Weighted average number of ordinary shares in issue	999,222,628	704,863,402
Basic loss per share (sen)	(2.31)	(3.96)

Diluted loss per share

No diluted loss per share is presented as the effect is anti-dilutive.

29. EMPLOYEES BENEFITS EXPENSES

	2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Salaries and allowances	32,732,735	18,072,504	463,863	724,767
Defined contribution plan	2,918,786	2,235,755	73,863	108,215
Social security contributions	384,852	268,393	5,605	6,031
Other staff related expenses	4,630,603	3,308,945	120,543	272,082
	40,666,976	23,885,597	663,874	1,111,095

30. SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) The transactions of the Group with related parties which were entered into on a negotiated basis are as follows:-

	2021 RM	Group 2020 RM
Rental expenses paid to company in which a Director of the subsidiary companies has interest	–	126,900

- (b) The remuneration of key management personnel is the same with Directors' remuneration as disclosed in Note 26 to the Financial Statements.
- (c) The outstanding balances and the details of the terms and conditions arising from related party transactions as at the reporting date are disclosed in Notes 7 and 23 to the Financial Statements.

31. COMMITMENT

	2021 RM	Group 2020 RM
Capital expenditure		
<u>Conditional contracted for:-</u>		
- Acquisition of property, plant and equipment	50,673,802	47,396,747
- Acquisition of a subsidiary company	10,678,500	–
<u>Authorised and contracted for:-</u>		
- Construction of buildings	6,538,066	–
<u>Authorised but not contracted for:-</u>		
- Office and warehouse equipment	2,459,600	–

32. OPERATING SEGMENT

Business segments

Management identifies the Group's mobile & fulfilments and logistic services as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations in each of the Group's reportable segments:-

Mobile & fulfilments	- Distribution of smart devices, mobile operators' strategic 3PL and 4PL partners, fulfilment system and fulfilments market place provider and mobile retail stores
Courier and logistic services	- Courier and delivery services
Others	- Investment holding and dormant

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

32. OPERATING SEGMENT (CONT'D)
Business segments (Cont'd)

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer pricing between operating segments are on a negotiated basis.

	Note	Mobile & fulfilments RM	Courier and logistic services RM	Others RM	Adjustments and eliminations RM	Consolidated RM
2021						
Revenue:-						
External customers		180,371,940	42,377,151	45,863	–	222,794,954
Results:-						
Interest income		24,059	903	80,205	–	105,167
Interest expenses		(537,733)	(1,245,266)	(720,412)	–	(2,503,411)
Depreciation		(3,043,374)	(10,344,720)	(251,163)	–	(13,639,257)
Tax expense		(27,005)	(116,880)	–	–	(143,885)
Other non-cash expenses	i	(2,013,154)	(2,186,754)	(614,486)	–	(4,814,394)
Segment profit/(loss)		3,227,152	(34,301,643)	7,124,455	1,046,109	(22,903,927)
Assets:-						
Additions to non-current assets	ii	3,600,064	49,422,451	14,125,921	–	67,148,436
2020						
Revenue:-						
External customers		156,192,208	26,348,604	–	–	182,540,812
Results:-						
Interest income		113,955	731	122,185	–	236,871
Interest expenses		(558,051)	(1,067,802)	(735,138)	–	(2,360,991)
Depreciation		(2,975,766)	(6,295,921)	(164,798)	–	(9,436,485)
Tax expense		(2,885)	–	(349)	–	(3,234)
Other non-cash expenses	i	(127,559)	(1,039,086)	(445,414)	–	(1,612,059)
Segment profit/(loss)		432,460	(21,439,137)	(11,461,919)	4,396,410	(28,072,186)
Assets:-						
Investment in an associate company		–	–	20,166,720	–	20,166,720
Additions to non-current assets	ii	6,373,149	4,881,589	148,795	–	11,403,533

32. OPERATING SEGMENT (CONT'D)**Business segments (Cont'd)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- i. Other material non-cash expenses consist of the following items:-

	2021 RM	2020 RM
Allowance for impairment loss on receivables	(4,186,754)	(1,039,086)
Deposits written off	–	(21,493)
Impairment loss on investment in an associate company	–	(445,414)
Impairment loss on intangible assets	(602,070)	–
Inventories written off	(24,194)	–
Other receivables written off	–	(9,898)
Property, plant and equipment written off	(1,376)	(96,168)
	(4,814,394)	(1,612,059)

- ii. Additions to non-current assets consist of:-

	2021 RM	2020 RM
Right-of-use assets	33,627,143	7,354,818
Property, plant and equipment	33,376,116	4,048,715
Intangible assets	145,177	–
	67,148,436	11,403,533

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follow:-

	Revenue		Non-current assets	
	2021 RM	2020 RM	2021 RM	2020 RM
Country				
- Malaysia	218,455,612	178,832,457	135,565,796	87,007,513
- Singapore	4,339,342	3,708,355	481,257	796,312
	222,794,954	182,540,812	136,047,053	87,803,825

32. OPERATING SEGMENT (CONT'D)

Business segments (Cont'd)

Non-current assets information presentation above consist of the following items as presented in the consolidated statement of financial position:-

	2021 RM	Group 2020 RM
Property, plant and equipment	50,588,844	43,076,402
Right-of-use assets	61,307,098	38,629,025
Investment properties	24,031,111	5,521,505
Intangible assets	120,000	576,893
	136,047,053	87,803,825

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's revenue:-

	Revenue		Segment
	2021 RM	2020 RM	
Customer A	104,477,654	100,639,825	Mobile & fulfilments
Customer B	31,053,059	–	Mobile & fulfilments

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Fair value through other comprehensive income ("FVOCI"); and
- (ii) Amortised cost ("AC").

	Carrying amount RM	FVOCI RM	AC RM
Group 2021			
<u>Financial assets</u>			
Other investments	66,217,978	66,217,978	–
Trade receivables	26,632,562	–	26,632,562
Other receivables	34,873,214	–	34,873,214
Fixed deposits with licensed banks	5,660,441	–	5,660,441
Cash and bank balances	17,127,276	–	17,127,276
	150,511,471	66,217,978	84,293,493

33. FINANCIAL INSTRUMENTS (CONT'D)**33.1 Categories of financial instruments (Cont'd)**

The table below provides an analysis of financial instruments categorised as follows (Cont'd):-

	Carrying amount RM	FVOCI RM	AC RM
Group			
2021			
<u>Financial liabilities</u>			
Trade payables	9,137,007	–	9,137,007
Other payables	20,545,462	–	20,545,462
Borrowings	7,133,542	–	7,133,542
	36,816,011	–	36,816,011
2020			
<u>Financial assets</u>			
Trade receivables	27,422,286	–	27,422,286
Other receivables	7,275,794	–	7,275,794
Fixed deposits with licensed banks	2,856,875	–	2,856,875
Cash and bank balances	3,807,857	–	3,807,857
	41,362,812	–	41,362,812
<u>Financial liabilities</u>			
Trade payables	2,658,595	–	2,658,595
Other payables	21,077,490	–	21,077,490
Borrowings	18,156,437	–	18,156,437
	41,892,522	–	41,892,522
Company			
2021			
<u>Financial assets</u>			
Other investments	64,917,978	64,917,978	–
Other receivables	19,384,500	–	19,384,500
Amount due from subsidiary companies	169,064,912	–	169,064,912
Fixed deposits with licensed banks	1,080,441	–	1,080,441
Cash and bank balances	1,394,048	–	1,394,048
	255,841,879	64,917,978	190,923,901
<u>Financial liabilities</u>			
Other payables	1,356,272	–	1,356,272
Amount due to subsidiary companies	1,537,188	–	1,537,188
Borrowings	3,514,566	–	3,514,566
	6,408,026	–	6,408,026

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):-

	Carrying amount RM	FVOCI RM	AC RM
Company			
2020			
<u>Financial assets</u>			
Other receivables	50,246	–	50,246
Amount due from subsidiary companies	163,883,604	–	163,883,604
Fixed deposits with licensed banks	476,875	–	476,875
Cash and bank balances	189,173	–	189,173
	164,599,898	–	164,599,898
<u>Financial liabilities</u>			
Other payables	13,357,854	–	13,357,854
Amount due to subsidiary companies	1,550,000	–	1,550,000
Borrowings	14,403,631	–	14,403,631
	29,311,485	–	29,311,485

33.2 Financial risk management

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

33.2.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from receivables. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

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

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.1 Credit risk (Cont'd)

The following are areas where the Group and the Company exposed to credit risk:-

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sales limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

More than 70% (2020: 64%) of the Group's customers have been transacting with the Group over the years and none of these customer's balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their characteristics, including whether are an individual or a legal entity, whether they are wholesale, retail or end-user customers, their geographical location, industry, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e. by geographical region, product type, customer type and rating, coverage by letter of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk arising from trade receivable is limited to the carrying amounts as stated in the statements of financial position.

33. FINANCIAL INSTRUMENTS (CONT'D)**33.2 Financial risk management (Cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.1 Credit risk (Cont'd)

The following are areas where the Group and the Company exposed to credit risk (Cont'd):-

Trade receivables and contract assets (Cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

	Expected credit loss rate %	Total gross carrying amount RM	Expected credit loss RM	Net RM
2021				
Not past due	–	19,568,979	–	19,568,979
Past due 1 to 30 days	–	3,670,350	–	3,670,350
Past due 31 to 60 days	–	1,325,718	–	1,325,718
Past due more than 60 days	81	10,813,621	(8,746,106)	2,067,515
		35,378,668	(8,746,106)	26,632,562
Contract assets	–	1,967,734	–	1,967,734
2020				
Not past due	–	21,978,708	–	21,978,708
Past due 1 to 30 days	–	1,923,451	–	1,923,451
Past due 31 to 60 days	–	956,515	–	956,515
Past due more than 60 days	73	9,602,881	(7,039,269)	2,563,612
		34,461,555	(7,039,269)	27,422,286

Other receivables

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

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.1 Credit risk (Cont'd)

The following are areas where the Group and the Company exposed to credit risk (Cont'd):-

Intercompanies balances

The Company provides unsecured advances to subsidiary companies and monitors the results of these companies regularly. As at the end of the reporting year, there was no indication that advances to subsidiary companies are not recoverable except for those disclosed in Note 7.2 to the Financial Statements. The maximum exposure to credit risk is represented by their net carrying amounts in the statement of financial position.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Financial guarantees

The maximum exposure to credit risk is RM30,728,826 (2020: RM13,982,827) in respect of financial guarantees given to financial institutions of subsidiary companies as at the end of the reporting year. The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies. As at the end of the reporting year, there was no indication that the subsidiary companies would default on repayment.

33.2.2 Liquidity risk

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

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

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

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.2 Liquidity risk (Cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	Maturity Between 1 to 5 years RM	Later than 5 years RM
Group					
2021					
Secured:-					
Borrowings	7,133,542	7,984,887	4,278,098	2,070,048	1,636,741
Lease liabilities	41,597,922	46,817,751	12,983,563	33,611,904	222,284
	48,731,464	54,802,638	17,261,661	35,681,952	1,859,025
Unsecured:-					
Trade payables	9,137,007	9,137,007	9,137,007	–	–
Other payables	20,545,462	20,545,462	20,545,462	–	–
	29,682,469	29,682,469	29,682,469	–	–
	78,413,933	84,485,107	46,944,130	35,681,952	1,859,025
2020					
Secured:-					
Borrowings	18,156,437	20,284,498	16,144,402	2,070,048	2,070,048
Lease liabilities	18,065,129	20,688,521	6,926,966	13,692,194	69,361
	36,221,566	40,973,019	23,071,368	15,762,242	2,139,409
Unsecured:-					
Trade payables	2,658,595	2,658,595	2,658,595	–	–
Other payables	21,077,490	21,077,490	21,077,490	–	–
	23,736,085	23,736,085	23,736,085	–	–
	59,957,651	64,709,104	46,807,453	15,762,242	2,139,409

33. FINANCIAL INSTRUMENTS (CONT'D)**33.2 Financial risk management (Cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.2 Liquidity risk (Cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Maturity Less than 1 year RM
Company			
2021			
Secured:-			
Borrowings	3,514,566	3,760,586	3,760,586
Unsecured:-			
Other payables	1,356,272	1,356,272	1,356,272
Amount due to subsidiary companies	1,537,188	1,537,188	1,537,188
	2,893,460	2,893,460	2,893,460
	6,408,026	6,654,046	6,654,046
Financial guarantees	–	30,728,826	30,728,826
2020			
Secured:-			
Borrowings	14,403,631	15,626,890	15,626,890
Unsecured:-			
Other payables	13,357,854	13,357,854	13,357,854
Amount due to subsidiary companies	1,550,000	1,550,000	1,550,000
	14,907,854	14,907,854	14,907,854
	29,311,485	30,534,744	30,534,744
Financial guarantees	–	13,982,827	13,982,827

33.2.3 Interest rate risk

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

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

33. FINANCIAL INSTRUMENTS (CONT'D)**33.2 Financial risk management (Cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.3 Interest rate risk (Cont'd)

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

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed rate instruments				
Fixed deposits with licensed banks	5,660,441	2,856,875	1,080,441	476,875
Lease liabilities	(41,597,922)	(18,065,129)	–	–
	(35,937,481)	(15,208,254)	1,080,441	476,875
Floating rate instrument				
Term loans	(7,133,542)	(18,156,437)	(3,514,566)	(14,403,631)

Fair values sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit/loss to a reasonable possible change in interest rates of +/- 0.5%. These changes are considered to be reasonable possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group		Company	
	Increase/(decrease) Net loss and equity for the year RM	Increase/(decrease) Net profit/(loss) and equity for the year RM	Increase/(decrease) Net profit/(loss) and equity for the year RM	Increase/(decrease) Net profit/(loss) and equity for the year RM
	+0.5%	-0.5%	+0.5%	-0.5%
Floating rate instrument				
2021	35,668	(35,668)	(17,573)	17,573
2020	90,782	(90,782)	72,018	(72,018)

33. FINANCIAL INSTRUMENTS (CONT'D)**33.2 Financial risk management (Cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.2.4 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than exchange or interest rates). Market price risk arises from the Group's and the Company's investments in quoted equity securities.

Management of the Group and of the Company monitors the investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis.

The carrying amounts of the Group's and of the Company's financial assets that are subject to market risk are as follows:-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Quoted shares	64,917,978	–	64,917,978	–

Market price risk sensitivity analysis:-

A change in 0.5% in the market price at the end of the reporting year would have increased/ (decreased) the net (loss)/profit for the financial year by the amount shown below. This analysis assumes that other variables, remain constant.

	Group Increase/(decrease) Net loss and equity for the year		Company Increase/(decrease) Net profit/(loss) and equity for the year	
	RM	RM	RM	RM
	+0.5%	-0.5%	+0.5%	-0.5%
Floating rate instruments				
2021	(324,590)	324,590	324,590	(324,590)
2020	–	–	–	–

33.3 Fair values of financial instruments

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

33. FINANCIAL INSTRUMENTS (CONT'D)

33.4 Fair values hierarchy

The table below analyses the level of financial instruments carried at fair values, together with their carrying amounts shown in the statements of financial position.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
<u>Other investments</u>				
2021	64,917,978	–	1,300,000	66,217,978
Company				
<u>Other investments</u>				
2021	64,917,978	–	–	64,917,978

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, group into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include input for asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1 and Level 3 fair value during the financial year.

34. CAPITAL MANAGEMENT

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

The Group sets the amounts of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. 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 share or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

- (a) The details of incorporation, acquisition, subscription of shares and disposal of significant subsidiaries and associate company are disclosed in Notes 7 and 8 to the Financial Statements.
- (b) On 18 October 2019, MGSB entered into a conditional SPA for the proposed acquisition of 2 parcels of contiguous freehold land together with all buildings erected thereon for a total cash consideration of RM41,000,000. Earnest deposit amounting to RM3,750,000 had been paid as disclosed in Note 15 to the Financial Statements.

On 16 April 2021, MGSB entered into a Deed of Mutual Termination with the vendor to terminate the SPA. Earnest deposit paid amounting to RM3,750,000 will be refunded.

- (c) On 23 September 2020, MGSB entered into a SPA for the acquisition of a piece of freehold agricultural land and building for a total cash consideration of RM2,500,000. As at the end of the financial year, the transaction was completed.
- (d) On 24 September 2020, MGSB entered into a SPA for the acquisition of one unit of 3.5 storey commercial buildings for a total cash consideration of RM1,800,000. Earnest deposit amounting to RM180,000 had been paid as disclosed in Note 15 to the Financial Statements. As at to-date, the transaction has yet to be completed.
- (e) On 16 November 2020, the Company entered into a conditional SSA with a third party to acquire 5,688,888 ordinary shares in M Jets International Sdn. Bhd. ("MJETS"), representing 80% equity interest of the total issued and paid-up capital of MJETS for a total cash consideration of RM21,357,000.

The acquisition remained conditional and yet to be completed as at 31 March 2021 as certain deliverables as set out in the conditional SSA are yet to be fulfilled by the third party.

- (f) On 12 January 2021, MGSB accepted the purchase offer for the acquisition of leasehold land for a total cash consideration of RM10,105,920. Earnest deposit amounting to RM202,118 had been paid as disclosed in Note 15 to the Financial Statements. As at to-date, the transaction has yet to be completed.
- (g) On 8 February 2021, MGSB entered into a SPA for the disposal of freehold land as disclosed in Note 16 to the Financial Statements for a total consideration of RM3,197,500. Earnest deposit amounting to RM319,750 has been received as disclosed in Note 23 to the Financial Statements. The transaction has completed as at the date of this report.
- (h) On 18 February 2021, MGSB entered into a SPA for the acquisition of 2 units of 3 storeys commercial buildings for a total cash consideration of RM4,050,000. Earnest deposit amounting to RM2,150,000 had been paid as disclosed in Note 15 to the Financial Statements. As at to-date, the transaction has yet to be completed.
- (i) On 22 March 2021, a wholly-owned subsidiary company, LCVH entered into a SSA with KTG Berhad (formerly known as DWL Resources Berhad) ("KTG") for the proposed disposal of 15% equity interest in LCEL, comprising 14,400,000 ordinary shares in LCEL for a total cash consideration of RM22,000,000. As at to-date, the transaction has yet to be completed.
- (j) On 4 May 2021, the Company proposed to dispose 19,000,000 ordinary shares in MGSB, representing 74.51% equity interest in MGSB to a third party for a total consideration of RM17,830,000. As at to-date, the transaction has yet to be completed.
- (k) On 20 May 2021, the Company invested 5.07% equity interest in KTG comprising 35,000,000 ordinary shares for an aggregate cash consideration of RM7,325,000.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE (CONT'D)

- (i) On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in various travel restrictions and other precautionary measures imposed in Malaysia and various other countries.

On 11 January 2021, the Malaysian Government reintroduced the MCO and Conditional Movement Control Order ("CMCO") for several states which were severely affected by Covid-19. In addition, on 12 January 2021, the Agong of Malaysia proclaimed a state of emergency for the country until 1 August 2021 as a proactive measure to contain the worsening Covid-19 pandemic ("Emergency").

With the steep increase of Covid-19 cases in Malaysia recently, the Prime Minister's Office issued an official statement on 28 May 2021 announcing the implementation of a Full Movement Control Order ("FMCO"). This involves a total lockdown imposed nationwide, effective 1 June 2021 to 14 June 2021 and further extended up to 28 June 2021. All economic sectors are not allowed to operate during this period except essential economic and service sectors.

At this stage, there has been no significant impact on the Group's operations resulting from the Emergency, MCO, CMCO, FMCO, travel restrictions and other precautionary measures imposed by the Malaysian Government.

However, the extent of the effect of the Emergency and these various MCO, travel restrictions and other precautionary measures on the operations and results of the Group for the financial year ending 31 March 2022 will depend on their conditions and durations.

As at to-date, the Covid-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any negative impact arising from the Covid-19 pandemic.

AUDIT COMMITTEE REPORT

The Audit Committee was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently in discharging its responsibilities of reviewing and monitoring the Group's financial process, audit process, statutory and regulatory compliance, code of business conduct, and other matters that the Board or the relevant authorities may specially delegate to the Audit Committee.

The Audit Committee Report spells out the Audit Committee composition, terms of reference, summary of activities and/or any material findings that may have affected the Group's performance, controls and operations during the year in review.

MEMBERSHIP & COMPOSITION

The Audit Committee members are appointed by the Board amongst the Board members. The Chairman of the Audit Committee shall be elected among its members who shall be an Independent Director. Alternate Directors shall not be members of the Audit Committee.

In accordance with Rule 15.09 of the ACE Market Listing Requirement, the Audit Committee shall consist of a minimum of three (3) members, all of whom must be Non-Executive Directors, with majority of them being Independent Directors and at least one (1) member of the Committee fulfilling the following conditions:-

- a) Must be a member of the Malaysian Institute of Accountants; or
- b) If he is not a member of the Malaysian Institute of Accountant, he must have at least three (3) years working experience in the accounting field, and
 - i) Must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii) He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- c) Fulfills such other requirements as prescribed by Bursa Malaysia Securities Berhad.

The current composition of Audit Committee is as follow:-

Chairman	:	Yeap Say Woi	(Independent Non-Executive Director)
Members	:	Hwang Siew Chien	(Independent Non-Executive Director)
		YM Tengku Farith Rithauddeen	(Independent Non-Executive Director)

In the event of any vacancy in the Audit Committee resulting in the non-compliance of Rules 15.09(1) and 15.10 of AMLR, the Company will fill the vacancy within 3 months.

MEETINGS AND ATTENDANCES

The Committee is scheduled to meet at least four (4) times in each financial year with at least two (2) members present and the Company Secretary as the secretary of the Committee. The Committee may invite designated Directors, key senior management and the auditors (internal and external) to be present during the Audit Committee meetings. The minutes of each Audit Committee meeting will be circulated to all Board members at the subsequent Board meeting.

AUDIT COMMITTEE REPORT Cont'd

MEETINGS AND ATTENDANCES (CONT'D)

During the financial year, there were four (4) Audit Committee meetings held and were duly attended by the members as shown below:-

Audit Committee members	Attendance
Yeap Say Woi	4/4
Dato' Johari Bin Yahya (resigned on 11.1.2021)	3/3
Hwang Siew Chien	4/4
YM Tengku Farith Rithauddeen (appointed on 9.3.2021)	–

SUMMARY OF ACTIVITIES

Activities carried out by the Audit Committee during the financial year ended 31 March 2021 include the followings:-

(i) Financial Reporting

- Review the four (4) quarter's financial statements and financial year end unaudited financial results of the Group before tabling to the Board for consideration and approval.
- Review the audited financial statements of the Company and the Group together with external auditors prior tabling to the Board for approval. The review was inter alia, to ensure compliance with:-
 - Compliance with existing and new accounting standards, policies and practices.
 - Highlight any significant adjustments or unusual events.
 - Compliance with Listing Requirements of Bursa Malaysia Securities Berhad, the requirements of the Companies Act 2016 in Malaysia and other regulatory requirements.

In the review of the financial year end audited financial statements, the Audit Committee discussed with Management and the external auditors the accounting principles applied and accounting standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audits.

(ii) Internal Audit

- Review and approved the annual Internal Audit Plan proposed by the Internal Auditor to ensure the adequacy of the scope and coverage of work.
- Review internal audit reports which highlighted the audit issues, recommendations and the Management's responses and remedies actions to be taken by the Management to rectify and improve the system of internal control.
- Monitor the implementation programme recommended by the Internal Auditor arising from the audit in order to obtain assurance that all key risks and controls been fully dealt with.
- Undertook assessment of the performance of the Internal Audit function and reviewing its effectiveness of the audit process and assessed the performance of the overall Internal Audit.

SUMMARY OF ACTIVITIES (CONT'D)

(iii) External Audit

- Reviewed the External Auditors' scope of work and audit plan for the year and made recommendations to the Board on their appointment and remuneration.
- Discussed and deliberated on the External auditors' report and recommendations regarding opportunities for improvement to the significant risk areas, internal control and financial matters based on the observations made in the course of interim and final audit.
- Discussed on the significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.
- Undertook an annual assessment on the suitability and independence of the External Auditors.
- Held one (1) private session with External Auditors without the presence of the Executive Directors and Management.
- Reviewed the evaluation on the performance and effectiveness of the external auditors which was coordinated by the Company Secretary. The annual assessment was conducted with feedback obtained from the Audit Committee and Management. The areas under the assessment were:-
 - (i) Independence, objectivity and professional skepticism.
 - (ii) Communication and interaction.
 - (iii) Quality of skills, capabilities of audit team and sufficiency of resources.

Based on the results of the evaluation, the Audit Committee is satisfied with the performance of the external auditors and thus, recommended to the Board the re-appointment of the external auditors at the forthcoming AGM 2021.

- Reviewed the written confirmation of independent from the external auditors in accordance with the applicable Malaysian regulatory and professional requirements. In respect of financial year ended 31 March 2021, Grant Thornton Malaysia PLT has re-affirmed their independence to act as Company's external auditors in accordance with the relevant professional and regulatory requirements.

(iv) Annual Reporting

Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirements and accounting matters requiring significant judgement.

(v) Related Party Transactions

Reviewed if there is any related party transaction that is required to be transacted at an arm's length basis and is not detrimental to the interest of minority interest.

(vi) Anti-Bribery and Anti-Corruption Policy

Reviewed the Anti-Bribery and Anti-Corruption Policy to ensure parameters are available to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. The review was inter alia, to ensure compliance with adherence to Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendments ("MACC") and the Guidelines of Adequate Procedures by the Prime Minister's Office.

This Policy was adopted and applied to all companies within MMAG Group. This includes all individual workings at all levels and grades.

(vii) Others

Consider and discussed any other matters arising for Board's approval.

INTERNAL AUDIT FUNCTION

The establishment of the Internal Audit Function provides the Directors and the Audit Committee with an independent assessment and appraisal/review of the effectiveness and reliability of the Group's internal controls and information system.

The internal audit function includes the review, assessment and provision of reasonable assurance that the Group's internal controls are functioning as planned and able to highlight all material deviation or findings to the Audit Committee immediately. To maintain impartiality and independence, the internal auditors report directly to the Audit Committee on the overall assessment of the Group's internal control mechanism.

To further discharge its duties and responsibilities effectively, the internal auditors can obtain the assistance of the Group's key senior management and staff in providing all the necessary information as and when required.

During the financial year ended 31 March 2021, the areas audited were sales and procurement and invoicing and credit management covering subsidiary companies from Mobile & Fulfillment division and Logistics Service division within the Group. Internal Audit reports were issued to the Audit Committee at least one (1) within a year to be tabled at the Audit Committee meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management response with regards to any audit findings on the weaknesses in the systems and controls of the operations. The internal auditors will also follow up with Management on the implementation of the agreed audit recommendations.

The Group's internal audit was carried out by an independent professional internal audit service provider appointed by the Board with the recommendation of the Audit Committee. The cost incurred for the internal audit function for the financial year ended 31 March 2021 was RM10,000 (2020: RM20,000).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control for the financial year ended 31 March 2021. This statement is made in compliance with Rule 15.26(b) of the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements and the Malaysian Code on Corporate Governance ("MCCG").

BOARD'S RESPONSIBILITY

MCCG prescribes as a principle of Corporate Governance that the Board of Directors should establish a sound risk management framework and system of internal control to safeguard shareholders' investment and the Company's assets.

The Board recognises the importance of sound internal controls and risk management practices to ensure good corporate governance. The related principal responsibilities of the Board in relation to internal controls are set out below:-

- Identifying principal risks and ensuring the implementation of appropriate control systems to manage these risks; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board affirms that its overall responsibility is maintaining and implementing an adequate and effective internal control system on an ongoing basis to identify, evaluate, monitor and manage significant business risks or internal control failures. The Board wishes to highlight that in any internal control system (which covers not only financial but operational and compliance controls as well), it does have inherent limitations; and the internal control system can only provide reasonable and not absolute assurance against all business and financial risk, human error or deliberate circumvention of the controls that were put in place.

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

The Group has segregated the overview of the Internal Control assessment into following components:-

1. Risk Management

The members of the Risk Management Committee at the management level ("RMC") comprise of:-

- (i) Hwang Siew Chien
- (ii) Kenny Khoo Chuan Wah

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

The Risk Management Framework which encompasses:-

- (a) Aligning risk appetite and strategy – Management considers the entity's risk appetite in evaluating strategic alternatives; setting related objectives; and developing mechanisms to manage related risks.
- (b) Enhancing risk response decisions – Enterprise risk management provides the rigor to identify and select among alternative risk responses i.e. risk avoidance, reduction, sharing and acceptance.
- (c) Reducing operational surprises and losses – Entities gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.
- (d) Identifying and managing multiple and cross-enterprise risks – Every enterprise faces a myriad of risks affecting different parts of the organisation, and enterprise risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- (e) Seizing opportunities – By considering a full range of potential events, Management is positioned to identify and proactively realise opportunities.
- (f) Improving deployment of capital – Obtaining robust risk information allows Management to effectively assess overall capital needs and enhance capital allocation.

All risks were individually ranked as either high, significant, moderate or low, having regard to the following:-

- The consequence of the identified risk;
- The likelihood of the risk occurring; and
- The effectiveness of the controls currently in place to mitigate and manage the risk.

Certain risks are inherently high and therefore may not be capable of being managed to relatively lower levels but nevertheless such risk will be monitored regularly.

The risk profile will enable the Group makes conscious decisions to manage those risks. Some of the options available to Management after the risk profile has been completed are as follows:-

- Terminate the activity;
- Reduce the potential consequences or likelihood by modifying/strengthening the control environment;
- Accept the level of risk as being acceptable considering the risk/control philosophy of the organisation i.e. the adequacy of the existing control environment and the cost of strengthening the control environment; and
- Pass on the risk associated to the activities (usually through outsourcing or insurance).

The Board has established a Risk Management Committee at Management level ("RMC") and the Board opined that Risk Management Committee at Board level will not be established for the time being. RMC will work closely with all departments to ensure effective implementation of the risk management. Heads of Business Unit/Division to review and update their risk profile as the need arises. The review and update of the risk profile includes identification of emerging risks resulting from changing business environment and/or initiatives being implemented as well as on evaluation of the effectiveness of controls and risk management plans.

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

Subsequently, the business units risk will be consolidated into the Group risk register which provides an overview of the Group risk profile (as detailed in the Risk Factors and Mitigation Strategies disclosed below). The Group risk profile along with any significant changes thereto and that the required actions to manage risks are timely addressed.

Risks Factors and Mitigation Strategies

Risks Factors	Description	Mitigation Strategies
Environmental and Business Continuity Risk	This risk relates to external forces that may impact on the business such as fire, flooding, other acts of God and changes in local Government and/or international legislation and the disruption of the supply chain due to international events.	- Established maintenance contracts to ensure the regular maintenance of the fire fighting equipment; - Enforced a strict "No Smoking" policy on the premises; - Established a partial business continuity plan; - Established a Human Resource department and a conducive work environment; and - Established good supplier partnerships.
Deliveries Risk	This risk relates to the inability to meet the delivery of clients' orders in particular to the quantity and timeliness of deliveries as per customer's requirements.	- Established proper sales order processing and delivery scheduling processes; - Established customer service processes; - Conduct regular sales and management meetings for effective communication; - Ensure sufficient insurance coverage for delivery of products; - Preventive maintenance plans for vehicles are implemented; - Most delivery vehicles have been purchased new; and - In-house mechanic to provide on the spot repairs of vehicles.
Loss of Good Reputation Risk	The Group has a current reputation of providing good customer service and technical support, purchasing products and treating suppliers fairly. The Group has also been very innovative in its processes and product range offered.	- Developed an efficient product delivery team; - Implemented a proper recruitment process; - Employed multi-skilled and good quality staff members; - Established an orientation and training programme; - Has in place an effective MIS system i.e. ERP; and - Established and communicated the vision, mission and values of the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

Risks Factors and Mitigation Strategies (Cont'd)

Risks Factors	Description	Mitigation Strategies
Financial Risk	The Group is subject to the fluctuation in foreign currency exchange. This risk relates to changes in exchange rates affecting the costs of products or services that are denominated in foreign currency. The Group offers customers payment terms to assist their purchase of the Group's products. If the Group customers are unable to make payment on time or have defaulted in payment, the Group's financial position could be adversely affected.	Management has identified and implemented the key controls to manage the risk by putting in a policy of hedging the Company's foreign denominated purchases to mitigate the effects of the depreciating Malaysia Ringgit. - Constant review on bad payment master list; - Slow paymasters and dealers with over limit position will be put on credit hold until payment is received; - Credit limit for slow paymasters will be reduced in order to have more manageable Account Receivable ("AR") accounts; - More regular sales meetings with Sales Team with focus on managing AR accounts with slow payment track records; - Credit approval for new AR accounts will also be assessed more stringently before any approval; and - To impose interest on overdue accounts so that debtors will see more urgency to pay up on time
Inventory Management Risk	This risk relates to purchasing and the availability of inventory to efficiently meet the Group's customer requirements and maintain appropriate inventory levels.	• Ensure effective product planning through sales forecasts; • Established proper warehouse storage conditions; • Trained warehouse staff members in place; • Review of customer history for product planning; • Regular review of inventory levels; • Timely follow-up of deliveries from suppliers; and • Implemented approved suppliers list and regular supplier performance evaluation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

Risks Factors and Mitigation Strategies (Cont'd)

Risks Factors	Description	Mitigation Strategies
New Product Risk	This risk relates to the unsuccessful launch of new products in the market due to inappropriate marketing strategy, which is mostly developed by the Principals and executed by the Group, and lack of brand development and promotions. A new product, which could be a product-line extension or enhancement, or a different product previously not available in the market, may fail if it is not accepted by the consumers or a competitor reaches the market first. Notwithstanding, a new product may be introduced into the local market based on its success in another market, but may not be eventually successful in the Malaysian market.	• Entered into agreement with Principals for launching of new products including product launching strategy, marketing strategy, provision of promotional budgets, listing fees, consumer sampling, etc.; • Good support staff employed; • Point of Sales materials available prior to launch; and • Good relationship with vendors and customers.

2. Information and Communication

The Board continuously emphasises communication with all employee in carrying out the internal control responsibilities to support the achievement of the Group's business objectives. The Board has taken following steps to enable sharing of information throughout the organisation.

• Documentation and Procedures

To ensure subsidiaries, business units, divisions and employees are working coherently to achieve the Group's overall business objectives, corporate policies and procedures of the Group are clearly documented and disseminated through internal memorandums, staff briefings and operational meetings

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

2. Information and Communication (Cont'd)

- **Whistleblowing**

The Group has established a whistleblowing policy whereby employees to raise concern, in confidence, about misconduct, malpractice or irregularity in any matters related to the Company. All reports and complaints received will be assessed and the whistleblower identities are protected in confidence to the extent reasonably practical and the Company will endeavor to advise the whistleblower in advance if his or her identity may become apparent or need to be disclosed. All disclosures received, investigation findings and recommendations are reported to Chief Executive Officer ("CEO") and/or Chairman of the Company. The Audit Committee ("AC") has been delegated overall responsibilities for implementation, monitoring and periodic review of the policy and any matter raised to put forward to the Board for approval.

3. Control Environment and Activities

- **Organisational Structure**

The organisational structure ensures that the roles and responsibilities of the Board and the Management are clearly defined in ensuring effective discharge of roles and responsibilities that will provide authority limits, terms of reference and functions with clear hierarchical reporting procedures within the Group. The CEO, Executive Director ("ED") and Chief Financial Officer ("CFO") lead all board papers presentation with the support from the respective heads of divisions and reports to the Board on all pertinent issues that may affect the Group's business and operations.

- **Management, Audit, Nomination and Remuneration Committees**

Management meetings are held and attended by key personnel to address operational issues, performance, budgets, business review/planning and control management. Key personnel will be invited from the respective subsidiaries and divisions to provide reports to the Management on their performance, compliance, strategic plans and highlight major issues that need attention.

The CEO, ED and CFO will report material findings and/or variances at the Audit Committee meeting and thereafter tabled to their Board, and the Board will review its implication to the Group and provide recommended strategies to address them.

The Nomination Committee ("NC") and Remuneration Committee ("RC"), whose majority members consist of Independent Directors, were established to maintain a higher level of Corporate Governance and exercise independence judgment and decision in discharging the duties of nominating and remunerating Directors, and key senior management based on performance, skills and experience.

- **Reporting**

Monthly financial and operations reports will be provided to the key senior management to perform the assessment and review and unaudited financial results is public disclosed on a quarterly basis.

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

4 Monitoring Activities

In the year under review, the Board and key senior management have performed the following activities to provide assurance on the effectiveness of risk management and internal control.

- (a) The Board and key senior management continue to take measures to strengthen the risk and control environment and monitor the risk and internal control framework;
- (b) The AC and key senior management report to the Board on a quarterly basis on the progress of action plans to manage the operational risks and its mitigation strategies;
- (c) The internal auditors report to the AC on a yearly basis on the process and compliance exceptions during the internal audit review. The control measures or action plans for exceptions noted and agreed with the status implementation action plans reported to AC on yearly basis; and
- (d) The Board also received assurance from the CEO and the ED that the Group's risk management and internal controls system are operating adequately and effectively.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional internal audit service provider at a cost of RM10,000 for the year 2020/2021. The role of the internal audit function, which reports directly to the AC, is to support the AC by providing it with independent and objective reports on the adequacy and effectiveness of the system of internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the AC and key senior management of the Group.

The internal audit adopts a COSO Framework and risk-based approach with focus on effective risk management practices and is guided under International Professional Practice Framework.

CONCLUSION

The Board has reviewed the risk management and internal controls system and of the view that the system of internal controls and risk management in place for the year under review are adequate and effective to safeguard the shareholders' interests and assets of the Group.

This statement was approved by the Board of Directors on 22 July 2021.

LIST OF PROPERTIES

No.	Location	Tenure	Existing use	Date of acquisition/ *revaluation	Description	Approximate age of building (Years)	Net book value as at 31.3.2021 (RM'000)
1	No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan	Freehold	Renting out	*7.5.2021	Land area Approximately 51,419 sq ft	16	18,800
2.	No. 10, Persiaran Seputeh, 58000 Kuala Lumpur	Freehold	Vacant	*4.5.2021	7,987 sq ft	11	2,662
3.	A-5-02, Residence 8, Jalan Sri Jati Off Jalan Klang Lama 58200 Kuala Lumpur	Freehold	Vacant	*4.5.2021	1,299 sq ft	7	799
4.	B-23A-05, Residence 8, Jalan Sri Jati Off Jalan Klang Lama 58200 Kuala Lumpur	Freehold	Vacant	*4.5.2021	1,362 sq ft	7	671
5.	No. 3, Jalan TP2 Taman Perindustrian UEP 47600 Subang Jaya Selangor Darul Ehsan	Leasehold	Office cum warehouse	1.3.2019	203,694 sq ft	2	19,236
6.	No. 2, Jalan Seroja 7 Seksyen BS 6, Bukit Sentosa 48300 Rawang Selangor Darul Ehsan	Freehold	Vacant	7.2.2018	41,603 sq ft	N/A	1,000
7.	No. 2, Jalan Seroja 7A Seksyen BS 6, Bukit Sentosa 48300 Rawang Selangor Darul Ehsan	Freehold	Vacant	7.2.2018	42,550 sq ft	N/A	1,000
8.	No. 3, Jalan Melur 1 Taman Melur, Bandar Segamat 85000 Segamat Johor Darul Tak'zim	Leasehold	Vacant	*22.4.2019	1,959 sq ft	36	817
9.	No. 36-2, Jalan Genuang Bandar Segamat 85000 Segamat Johor Darul Tak'zim	Freehold	Office cum warehouse	*22.4.2019	1,600 sq ft	46	710
10.	No. 36-3, Jalan Genuang Bandar Segamat 85000 Segamat Johor Darul Tak'zim	Freehold	Vacant	*22.4.2019	1,600 sq ft	46	710

LIST OF PROPERTIES Cont'd

No.	Location	Tenure	Existing use	Date of acquisition/ *revaluation	Description	Approximate age of building (Years)	Net book value as at 31.3.2021 (RM'000)
11.	No. 18, Jalan Empayar 4 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Vacant	*22.4.2019	11,178 sq ft	3	2,452
12.	No. 20, Jalan Empayar 4 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Office cum warehouse	*22.4.2019	11,178 sq ft	3	2,452
13.	No. 10, Jalan Empayar 2 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Vacant	*22.4.2019	18,090 sq ft	3	3,438
14.	No. 12, Jalan Empayar 2 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Office cum warehouse	*22.4.2019	18,090 sq ft	3	3,438
15.	No. 21, Jalan Empayar 3 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Vacant	23.8.2019	52,777 sq ft	N/A	4,110
16.	No. 14, Jalan Empayar 2 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Vacant	23.8.2019	72,360 sq ft	N/A	5,427
17.	JM YP 37 Jalan Muar Kampung Parit Awang 83700 Yong Peng Johor	Freehold	Vacant	23.09.2020	62,495 sq ft	N/A	2,541
GRAND TOTAL							70,263

ANALYSIS OF SHAREHOLDINGS - ORDINARY SHARES

as per Record of Depositors as at 6 July 2021

Total Number of Issued Shares : 1,136,295,425 ordinary shares
Voting Rights : One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS (ORDINARY SHARES)

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 shares	300	12,570	negligible
100 to 1,000 shares	649	395,632	0.04
1,001 to 10,000 shares	3,029	18,511,097	1.63
10,001 to 100,000 shares	3,711	142,831,751	12.57
100,001 to less than 5% of issued shares	809	629,892,175	55.43
5% and above of issued shares	2	344,652,200	30.33
Total	8,500	1,136,295,425	100.00

SUBSTANTIAL SHAREHOLDERS (ORDINARY SHARES)

Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Chan Swee Ying	271,624,800	23.90	–	–
Marina Teguh Sdn. Bhd.	71,208,500	6.27	–	–
Chong Koon Meng	475,000	0.04	71,208,500 [#]	6.27
Kenny Khaw Chuan Wah	39,969,400	3.52	71,208,500 [#]	6.27
Wong Eng Su	–	–	71,208,500 [#]	6.27

DIRECTORS' SHAREHOLDINGS (ORDINARY SHARES)

Director	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Mohammad Hamiddan Bin Maryani	–	–	–	–
YM Tengku Farith Rithauddeen	–	–	–	–
Chong Koon Meng	475,000	0.04	71,208,500 [#]	6.27
Kenny Khaw Chuan Wah	39,969,400	3.52	71,208,500 [#]	6.27
Yeap Say Woi	–	–	–	–
Hwang Siew Chien	–	–	–	–
Woo Kam Weng	–	–	–	–
Dato' Sok One A/L Esen	–	–	–	–
Chan Swee Ying	271,624,800	23.90	–	–

Note:-

Deemed interest by virtue of his interest in Marina Teguh Sdn. Bhd.

THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY SHARES)

No.	Shareholders	No. of Shares	%
1.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)</i>	273,443,700	24.06
2.	MARINA TEGUH SDN BHD	71,208,500	6.27
3.	MMAG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HONG SENG FRONTIER SDN BHD</i>	55,799,500	4.91
4.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NEWFRONT VENTURES SDN BHD</i>	48,150,000	4.24
5.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SUMMIT SYNERGY LIMITED</i>	42,894,700	3.77
6.	VALHALLA CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KENNY KHOW CHUAN WAH</i>	39,969,400	3.52
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHIN LOY SHIN</i>	38,375,400	3.38
8.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHIPSENG HENG HOLDINGS SDN BHD</i>	23,176,900	2.04
9.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR EMINENT MISSION SDN BHD</i>	20,000,000	1.76
10.	MMAG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TWINSTAR CENTURY SDN BHD</i>	15,392,800	1.35
11.	CGS-CIMB NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)</i>	12,960,000	1.14
12.	WANG LEE NGIAP	7,000,000	0.62
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR LIM SIEW PING</i>	4,995,400	0.44
14.	TANG SOO CHING	4,505,000	0.40
15.	RHB CAPITAL NOMINEES (ASING) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR IOANNIS KOROMILAS</i>	4,000,000	0.35
16.	KOH KIM BOON	3,599,300	0.32
17.	CHIN KWAK WAH	3,570,000	0.31
18.	HSBC NOMINEES (ASING) SDN BHD <i>J.P. MORGAN SECURITIES PLC</i>	3,538,800	0.31
19.	ECLUB INTERACTIVE SDN BHD	3,349,500	0.29
20.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHONG SWEE</i>	3,215,000	0.28
21.	LIM KOK HAN	3,082,500	0.27
22.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM ZHER ZUO (E-BMM/BSJ)</i>	3,050,000	0.27
23.	LING YEAN CHAN	3,005,500	0.26
24.	LEE HOOI PHENG	3,000,000	0.26
25.	LOH NAM SENG	3,000,000	0.26
26.	OOI HAN EWE	2,795,000	0.25
27.	TAM YOKE THYE @ TAM MOOK LAN	2,770,000	0.24
28.	TAN KWEE BER	2,500,000	0.22
29.	KANAGARAJAH A/L LOGANATHAN	2,268,000	0.20
30.	MOK POH YIN	2,100,000	0.18

ANALYSIS OF SHAREHOLDINGS - IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

as per Record of Depositors as at 6 July 2021

Total Number of Shares Issued : 28,742,318 ICPS 2017/2022

DISTRIBUTION OF SHAREHOLDINGS (ICPS)

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 ICPS	6	232	negligible
100 to 1,000 ICPS	24	9,727	0.03
1,001 to 10,000 ICPS	63	347,109	1.21
10,001 to 100,000 ICPS	79	3,243,250	11.28
100,001 to less than 5% of issued ICPS	21	8,233,500	28.65
5% and above of issued ICPS	8	16,908,500	58.83
Total	201	28,742,318	100.00

SHAREHOLDERS HOLDING 5% OR MORE OF THE TOTAL NUMBER OF ICPS ISSUED

Shareholders	Direct Interest		Indirect Interest	
	No. of ICPS	%	No. of ICPS	%
Tai Hong Chuan	2,980,000	10.37	—	—
CGS-CIMB Nominees (Tempatan) Sdn Bhd Exempt An For CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	2,843,700	9.89	—	—
Chee Che Ting	2,795,000	9.72	—	—
Tan Chong Swee	1,901,400	6.62	—	—
Tai Kim Chuan	1,800,000	6.26	—	—
HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse (SG BR-TST-Asing)	1,750,000	6.09	—	—
Wong Wen Sheng	1,612,800	5.61	—	—
Master Knowledge Sdn Bhd	1,495,600	5.20	—	—

DIRECTORS' SHAREHOLDINGS (ICPS)

Director	Direct Interest		Indirect Interest	
	No. of ICPS	%	No. of ICPS	%
Dato' Mohammad Hamiddan Bin Maryani	—	—	—	—
YM Tengku Farith Rithauddeen	—	—	—	—
Chong Koon Meng	300,000	1.04	—	—
Kenny Khaw Chuan Wah	—	—	—	—
Yeap Say Woi	—	—	—	—
Hwang Siew Chien	—	—	—	—
Woo Kam Weng	—	—	—	—
Dato' Sok One A/L Esen	—	—	—	—
Chan Swee Ying	—	—	—	—

ANALYSIS OF SHAREHOLDINGS - IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES

("ICPS") Cont'd

THIRTY (30) LARGEST SHAREHOLDERS (ICPS)

No.	Shareholders	No. of Shares	%
1.	TAI HONG CHUAN	2,980,000	10.37
2.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)</i>	2,843,700	9.89
3.	CHEE CHE TING	2,795,000	9.72
4.	TAI KIM CHUAN	1,800,000	6.26
5.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)</i>	1,750,000	6.09
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHONG SWEE</i>	1,631,400	5.68
7.	WONG WEN SHENG	1,612,800	5.61
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MASTER KNOWLEDGE SDN BHD</i>	1,495,600	5.20
9.	AMINUL ISLAM BIN ABDUL NOR	1,399,400	4.87
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR LIM SIEW PING</i>	1,188,200	4.13
11.	TAI SHU BING	1,000,000	3.48
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT (8083338)</i>	500,000	1.74
13.	TAN THIAM HOK	500,000	1.74
14.	LOH CHUN SEAN	460,000	1.60
15.	CHONG KOON MENG	300,000	1.04
16.	TAN BEE LAY	300,000	1.04
17.	LEONG SENG HOONG	300,000	1.04
18.	LIM JIT HAI	289,600	1.01
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHONG SWEE</i>	270,000	0.94
20.	GAN TIAN SWEE	260,000	0.90
21.	LEE BAH	250,000	0.87
22.	LEE KAR LEONG	226,600	0.79
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR THAM WAI CHEE</i>	200,600	0.70
24.	CHEW SWEE GHEE	200,000	0.70
25.	CHAU WONG BOOK	125,000	0.43
26.	VALHALLA CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TWINSTAR CENTURY SDN. BHD.</i>	121,000	0.42
27.	CHUA KAU @ CHUA KIM YAN	120,000	0.42
28.	LEE KEAT LIH	114,000	0.40
29.	NG WOUI YING	109,100	0.38
30.	TEO AH TEE @ TEO HIOCK CHENG	100,000	0.35

ANALYSIS OF WARRANTHOLDINGS

as per Record of Depositors as at 6 July 2021

Total Number of Warrants Issued : 197,207,491 Warrants 2017/2022

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 Warrants	113	5,074	negligible
100 to 1,000 Warrants	92	58,966	0.03
1,001 to 10,000 Warrants	506	3,402,178	1.72
10,001 to 100,000 Warrants	1,050	45,624,524	23.14
100,001 to less than 5% of issued Warrants	335	136,368,049	69.15
5% and above of issued Warrants	1	11,748,700	5.96
Total	2,097	197,207,491	100.00

WARRANTHOLDERS HOLDING 5% OR MORE OF THE TOTAL NUMBER OF WARRANTS ISSUED

Warrantholders	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Koh Kim Boon	11,748,700	5.96	—	—

DIRECTORS' WARRANTHOLDINGS

Director	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Dato' Mohammad Hamiddan Bin Maryani	—	—	—	—
YM Tengku Farith Rithauddeen	—	—	—	—
Chong Koon Meng	—	—	—	—
Kenny Khaw Chuan Wah	—	—	—	—
Yeap Say Woi	—	—	—	—
Hwang Siew Chien	—	—	—	—
Woo Kam Weng	—	—	—	—
Dato' Sok One A/L Esen	—	—	—	—
Chan Swee Ying	—	—	—	—

THIRTY (30) LARGEST WARRANTHOLDERS

No.	Name	No. of Warrants	%
1.	KOH KIM BOON	11,748,700	5.96
2.	OOI HAN EWE	5,952,800	3.02
3.	CHENG LEH THENG	3,100,000	1.57
4.	LOO TIANG LENG	2,400,000	1.22
5.	LEE BEE GEOK	2,300,000	1.17
6.	CHAN YEE KUAN	2,200,000	1.12
7.	LOOI TEONG HOO	2,100,000	1.06
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG HEE SIEN @ CHONG</i>	2,030,500	1.03
9.	CHOO WING SING	1,948,100	0.99
10.	TANG SOO CHING	1,860,600	0.94
11.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI</i>	1,829,000	0.93
12.	CHAN YEE KUAN	1,657,400	0.84
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)</i>	1,640,700	0.83
14.	ONG AH HUA	1,521,800	0.77
15.	LEAW HOCK SENG	1,500,000	0.76
16.	SOO SIEW SENG	1,500,000	0.76
17.	SITI MUNAJAT BINTI MD GHAZALI	1,500,000	0.76
18.	POR TEONG ENG	1,500,000	0.76
19.	NG WOUI YING	1,490,050	0.76
20.	LIEW LEE LEONG	1,300,000	0.66
21.	CHUA THIAM CHYE	1,300,000	0.66
22.	ANUAR BIN MD JUNUS	1,200,000	0.61
23.	ANG SOH MUI	1,100,400	0.56
24.	HOW LIN HONG	1,100,000	0.56
25.	ECLUB INTERACTIVE SDN BHD	1,100,000	0.56
26.	TAN CHENG TEIK	1,090,000	0.55
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)</i>	1,080,000	0.55
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEOH KIM LOON</i>	1,000,000	0.51
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHUAN DYI (6000364)</i>	1,000,000	0.51
30.	FAM JIAN YAP	1,000,000	0.51

ADDITIONAL COMPLIANCE INFORMATION

(i) Utilisation of Proceeds from corporate exercises

- (a) Proceeds raised from corporate proposals (Special Bumiputera Issue, Rights Issue of Shares with Warrants and Rights Issue of Irredeemable Convertible Preference Shares) had been fully utilised as at 31 December 2020.
- (b) Status of utilisation of proceeds raised from corporate proposals (Private Placement I):-

	Proposed Utilisation RM'000	Actual Utilisation as at 31 March 2021 RM'000	Intended time frame for utilisation RM'000
Expenses for courier and logistic business	13,948	11,616	Within 24 months
Purchase of land in Johor	8,450	8,450	Within 6 months
Working capital	10,121	10,121	Within 24 months
Estimated expenses for the Private Placement I	130	130	Within 1 month
Total	32,649	30,317	

(ii) Audit fees and non-audit fees

The amount of audit and non-audit fees incurred for the services rendered by external auditors of the Group for the financial year ended 31 March 2021 were as follows:-

	Group RM	Company RM
Audit fees	188,000	45,000
Non-audit fees	16,000	6,000

(iii) Material Contract

For the financial year ended 31 March 2021, there were no material contracts entered into by the Company and its subsidiary companies, which involved Directors' or major shareholders' interests.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via Vote2U at <https://web.vote2u.my> on Monday, 30 August 2021 at 10:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits up to RM300,000 from 1 September 2021 until the next AGM of the Company. (Ordinary Resolution 1)
3. To re-elect the following Directors retiring in accordance with the Company's Constitution and being eligible, have offered themselves for re-election:-
 - i) Hwang Siew Chien [Clause 78] (Ordinary Resolution 2)
 - ii) Kenny Khaw Chuan Wah [Clause 79] (Ordinary Resolution 3)
 - iii) YM Tengku Farith Rithauddeen [Clause 79] (Ordinary Resolution 4)
 - iv) Woo Kam Weng [Clause 79] (Ordinary Resolution 5)
 - v) Dato' Sok One A/L Esen [Clause 79] (Ordinary Resolution 6)
 - vi) Dato' Mohammad Hamiddan bin Maryani [Clause 79] (Ordinary Resolution 7)
4. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. (Ordinary Resolution 8)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:-

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** (Ordinary Resolution 9)

"THAT, subject always to the Companies Act 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company, to be utilised until 31 December 2021 and thereafter, unless extended by Bursa Securities, does not exceed 10% of the total number of issued shares of the Company, at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors be hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued."

6. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING Cont'd

By Order of the Board

LIM SECK WAH
(Company Secretary)
Membership No. MAICSA 0799845
SSM Practicing Certificate No. 202008000054

Dated this 9th day of August 2021.
Kuala Lumpur

Note:

1. The AGM of the Company will be held as a fully virtual meeting through live streaming and online remote voting using RPV facilities via Vote2U at <https://web.vote2u.my>. Please refer to the Administrative Guide for Shareholders for the procedures to register, participate and vote remotely through the RPV facilities.
2. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 20 August 2021. Only a depositor whose name appears on the Record of Depositors as at 20 August 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.
3. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies he shall specify the proportion of his shareholdings to be represented by each proxy. All voting will be conducted by way of poll.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. If the appointer is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its attorney duly authorised.
7. The instrument appointing a proxy or the Proxy Form shall be deposited at **MMAG Office, Gate C, No. 3, Jalan TP2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan** or email to **mmag.agm@mmag.com.my** not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

8. Explanatory note on Special Business

8.1 Ordinary Resolution 9 - Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to Allot Shares

The proposed Ordinary Resolution 9 is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company at any point of time ("20% General Mandate").

The 20% General Mandate is pursuant to temporary relief measures due to Covid-19 pandemic issued by Bursa Securities on 16 April 2020. The temporary relief measures may be utilised until 31 December 2021, and thereafter, unless extended by Bursa Securities, the 10% limit under rule 6.04(1) of the ACE Market Listing Requirements of Bursa Securities will be reinstated.

The Board of Directors is of the view that the 20% General Mandate is in the best interest of the Company and its shareholders due to unprecedented challenges from the Covid-19 impact, and will enable the Company to raise higher fund more speedily during this challenging period to ensure sustainability of the Company's existing activities as well as funding for future business expansion and investment activities.

Up to the date of this Notice, 106,460,000 new ordinary shares were issued by way of private placement ("Private Placement") pursuant to the mandate granted to the Directors at the 17th AGM held on 29 September 2020. Total proceeds of RM37,376,813.30 which was raised from the Private Placement have been fully utilised as at the date of this Notice.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

General Meeting	: Annual General Meeting (AGM)
Day, Date, and Time of Meeting	: Monday, 30 August 2021 at 10:00 a.m.
Remote Participation and Voting Facilities	: https://web.vote2u.my
Meeting Venue	: Online Meeting Platform of Vote2U at https://web.vote2u.my
Domain Registration Numbers with MYNIC	: D6A471702

We continue to exercise prudence in this situation where Covid-19 outbreak is still ongoing and strictly complying to the decree of the Government of Malaysia ("**Government**") and the Guidance and Frequently Asked Questions of the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia ("**SC**") ("**Guidance Note and FAQs**").

Pursuant to the implementation of total lockdown announced by the Government and in accordance with the revised SC Guidance Note and FAQs, during the total lockdown period beginning 1 June 2021 ("**FMCO**"), all general meetings shall be conducted online and all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders shall participate in the meeting via the online platform. Hence, MMAG Holdings Berhad ("**MMAG**" or the "**Company**") meeting will be held as fully virtual meeting via live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Vote2U at <https://web.vote2u.my>

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

Entitlement to Participate and Vote Remotely

Shareholders whose names appear on the Record of Depositors ("**ROD**") as at 20 August 2021 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below:-

* BEFORE MEETING DAY *

A:	REGISTRATION	
	Description	Procedure
i.	Shareholders to Register with Vote2U □ Individual Shareholders	a. Access website at https://web.vote2u.my b. Select " Sign Up " to sign up as user. c. Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box ☐ . Then select " Next ". d. Fill-in your details – (i) ensure your email address is valid & (ii) create your own password. Then select " Continue ". e. Upload a clear copy of your MyKAD for Malaysian (front only) or passport for non-Malaysian (page with photo). f. Registration as user completed. g. An email notification will be sent to you. <i>Note:</i> <i>If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.</i>

B: REGISTRATION OF PROXY		
	Description	Procedure
i.	Submit Proxy Form (hard copy) ☐ Individual Shareholders ☐ Corporate Shareholders ☐ Authorised Nominee ☐ Exempt Authorised Nominee The closing time to submit your hardcopy Proxy Form is at 10:00 a.m. Saturday, 28 August 2021.	a. Fill-in the details on the hard copy Proxy Form by providing the following information:- • Proxy(ies) & Corporate Representative • Name • Number of MyKAD for Malaysian or passport for non-Malaysian • Address and email address – ensure email address is valid b. Corporate Representative only – deposit the hard copy of Proxy Form together with the following document to the address as stated on the Proxy Form:- • A copy of Certificate of Appointment as corporate representative c. Individual shareholders, authorised nominee and exempt authorised nominee – deposit the hard copy Proxy Form to the address as stated on the Proxy Form. d. Submitted Proxy Form will be verified. e. After verification, proxy(ies) and corporate representative will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U. f. Submit/Deposit the hardcopy of the Proxy Form to MMAG Office, Gate C, No. 3, Jalan TP2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan. g. The closing time to submit your Proxy Form is on Saturday, 28 August 2021 at 10.00 a.m.

*** REVOCATION OF PROXY ***

	Description	Procedure
i.	Revoke a Proxy ☐ Individual Shareholders ☐ Corporate Shareholders ☐ Authorised Nominee ☐ Exempt Authorised Nominee	a. Email to mmag.agm@mmag.com.my to revoke the appointment of your proxy(ies). <u>Note:</u> Applicable to individual shareholders/corporate shareholders/authorised nominee/exempt authorised nominee who have appointed proxy(ies)/corporate representative using hard copy Proxy Form.

*** ON GENERAL MEETING DAY ***

1.	Log in to https://web.vote2u.my with your registered email address and password. For proxy(ies) and corporate representative, log in with the temporary credentials in the email which you have received from Vote2U.
2.	Vote2U will be opened for log in one (1) hour before the commencement of the general meeting you are attending.
3.	When you are logged in, select the general meeting event you are attending. On the main page, you are able to access the following:-

	Description	Procedure
i.	Live Streaming	a. Select “ Watch Live ” button to view the live streaming.
ii.	Ask Question (real-time)	a. Select “Ask Question” button to pose a question. b. Type in your question and select “Submit”. <u>Note:</u> <i>The Chairman of the general meeting/Board of Directors will endeavour to respond to questions submitted by remote shareholders and proxies and corporate representatives during the meeting.</i>
iii.	Remote Voting	a. On the main page, scroll down and select “Confirm Details & Start Voting”. b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Select “Next” to continue voting for all resolutions. c. After you have completed voting, a Voting Summary page appears to show all the resolutions with you voting choices. Select “Confirm” to submit your vote. <u>Note:</u> <i>Once you have confirmed and submitted your votes, you are <u>not able</u> to change your voting choices.</i>
iv.	View Voting Results	a. On the main page, scroll down and select “ View Voting Results ”.
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. b. You may log out from Vote2U.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at a general meeting will be conducted by poll. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the poll administrator to conduct the polling process and Aegis Communication Sdn. Bhd. as the independent scrutineers to verify the results of the poll.

Meeting Venue

As a result of the implementation of the FMCO by the Government on 28 May 2021 as well as the revised SC Guidance Note and FAQs, when a listed issuer conducts its general meeting during FMCO, the listed issuer is only allowed to conduct a fully virtual general meeting where all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. Physical gatherings no matter how small are prohibited. Therefore, there shall be no broadcast venue to air the general meeting.

According to the revised SC Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 provided that the online platform is located in Malaysia.

No e-Voucher, Gift, and Food Voucher

There will be no e-Voucher, gift, and food voucher for shareholders, proxies and corporate representatives who participate in the meeting.

Enquiry

- a. For enquiries relating to the general meeting, please contact the following person during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:-

MMAC Holdings Berhad
Mr. Kenny Khoo Chuan Wah
Telephone No. : 03-7890 3535
Facsimile No. : 03-8011 7697
E-mail : info@mmag.com.my

- b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:-

Telephone No. : 03-7664 8520/03-7664 8521
Email : vote2u@agmostudio.com

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MMAG

MMAG HOLDINGS BERHAD

[Registration No. 200301007003 (609423-V)]

Incorporated in Malaysia

PROXY FORM

(Before completing this form, please refer to the notes below)

CDS Account No.	:	
No. of shares held	:	

*I/We _____ NRIC No./Passport No./Company No. _____
(Full name in Block Letters)

of _____
(Full address)

with email address _____ mobile phone no. _____

being a member/members of **MMAG HOLDINGS BERHAD** hereby appoint the following person(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (%)
Address		
Email Address	Mobile Phone No.	

and/or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (%)
Address		
Email Address	Mobile Phone No.	

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *my/our behalf at the Eighteenth Annual General Meeting of the Company to be held fully virtual through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities at <https://web.vote2u.my> on Monday, 30 August 2021 at 10:00 a.m. or any adjournment thereof in the manner as indicated below:-

		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
ORDINARY RESOLUTION					
1.	To approve the payment of Directors' fees and benefits up to RM300,000 from 1 September 2021 until the next AGM of the Company				
2.	To re-elect the director, Hwang Siew Chien				
3.	To re-elect the director, Kenny Khaw Chuan Wah				
4.	To re-elect the director, YM Tengku Farith Rithauddeen				
5.	To re-elect the director, Woo Kam Weng				
6.	To re-elect the director, Dato' Sok One A/L Esen				
7.	To re-elect the director, Dato' Mohammad Hamiddan Bin Maryani				
8.	To re-appoint the retiring auditors, Messrs. Grant Thornton Malaysia PLT				
9.	Authority to Allot Shares				

Please indicate with an "x" in the appropriate space above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this _____ 2021.

Signature/Common Seal of Shareholders

* **Strike out whichever is not desired.**



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Note:

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AFFIX
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The Poll Administrator of
Eighteenth Annual General Meeting
MMAG HOLDINGS BERHAD [Registration No. 200301007003 (609423-V)]
AGMO DIGITAL SOLUTIONS SDN. BHD.
c/o MMAG OFFICE
GATE C, NO. 3, JALAN TP2
TAMAN PERINDUSTRIAN UEP
47600 SUBANG JAYA
SELANGOR DARUL EHSAN

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MMAG

**MMAG
HOLDINGS
BERHAD**

200301007003 (609423-V)

No.3, Jalan TP2,
Taman Perindustrian
UEP Subang Jaya,
47600 Subang Jaya,
Selangor Darul Ehsan.

Email: info@mmag.com.my