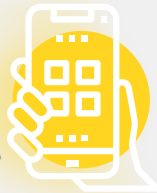




**Advance Information Marketing Berhad**  
200401006266 (644769-D)





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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Ir. Lim Siang Chai**  
(Independent Non-Executive Chairman)

**Mak Siew Wei**  
(Executive Director)

**Mejar Dato' Ismail Bin Ahmad**  
(Independent Non-Executive Director)

**Dato' Kang Chez Chiang**  
(Independent Non-Executive Director)

**Choong Mun Kit**  
(Independent Non-Executive Director)

**Kang Teik Yih**  
(Independent Non-Executive Director)

## AUDIT COMMITTEE

Kang Teik Yih (Chairman)  
Mejar Dato' Ismail Bin Ahmad  
Dato' Kang Chez Chiang

## NOMINATION COMMITTEE

Mejar Dato' Ismail Bin Ahmad  
(Chairman)  
Choong Mun Kit  
Dato' Kang Chez Chiang

## REMUNERATION COMMITTEE

Dato' Kang Chez Chiang (Chairman)  
Choong Mun Kit  
Mejar Dato' Ismail Bin Ahmad

## RISK MANAGEMENT COMMITTEE

Kang Teik Yih (Chairman)  
Mak Siew Wei  
Dato' Ir. Lim Siang Chai

## COMPANY SECRETARY

Tan Kok Siong  
[SSM PC No. 202008001592  
(LS0009932)]

## WEBSITE

www.aim-net.com.my

## REGISTERED OFFICE

A1-2-2 Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. : 03-6413 3271

## HEAD OFFICE

No. 18, Jalan Balam  
51100 Kuala Lumpur  
Tel No. : 03-4043 2699  
Fax No. : 03-4043 2690

## SHARE REGISTRAR

Workshire Share Registration Sdn Bhd  
A1-2-2 Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. : 03-6413 3271

## AUDITORS

Messrs. UHY (AF1411)  
Suite 11.05, Level 11  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. : 03-2279 3088  
Fax No. : 03-2279 3099

## PRINCIPAL BANKERS

Malayan Banking Berhad  
CIMB Bank Berhad  
RHB Bank Berhad

## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia  
Securities Berhad  
Stock Name : AIM  
Stock Code : 0122

## INVESTOR RELATIONS

Email : contact@aim-net.com.my  
Tel No. : 03-4043 2699

# COMPANY'S PROFILE

As a regional BPO solution provider, our all-round expertise is applied in diverse industries. In today's competitive business climate, our expertise and experience have transformed into important business knowledge and powerful marketing tools to our clients. Our holistic approach enables us to provide strategic direction and consultancy to our clients on how best to customise, implement and manage their loyalty programs effectively and to meet their desired objectives. Through outsourcing, our clients can rely on our specialist expertise and stay focused on their core businesses.

**Advance Information Marketing Berhad ("AIM") Group is a regional BPO (Business Process Outsourcing) solution provider offering a broad spectrum of loyalty management services ranging from consultation, technology infrastructure and technical support to procurement and logistics for companies aiming to build and nurture a lifelong relationship with their customers.**

On the technology front, we focus primarily on the development of enterprise solutions for customers' loyalty marketing and management. Through years of research and development efforts, we have designed and developed a sophisticated enterprise marketing management solution, AIMS (Advance Information Marketing System). AIMS integrated into our five service components namely Business Intelligence, Integrated Marketing Services, Contact Centre Management, Procurement & Fulfilment and Technology Infrastructure to equip our clients with the right marketing tools. This integrated platform provides complete information and better understanding of the customers' behaviour and their response to marketing initiatives implemented. As a result, at one single touch point with AIMS, our clients are able to understand their customers better, hence becoming more customer-centric and will be able to implement compelling marketing strategies throughout the customer life cycle.

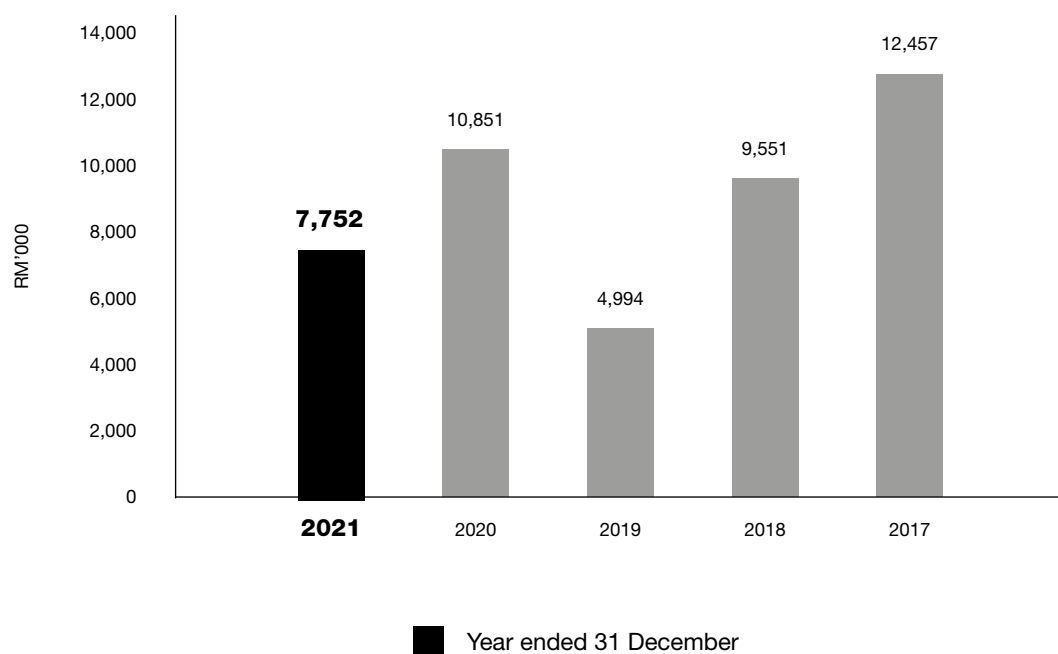
## ADVANCE INFORMATION MARKETING BERHAD



## FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ended 31 December (RM'000)	2021	2020	2019	2018	2017
Revenue	<b>7,752</b>	10,851	4,944	9,551	12,457
Loss Before Tax	<b>(5,187)</b>	(3,821)	(4,098)	(2,320)	(2,123)
Loss Attributable to Shareholders	<b>(5,162)</b>	(3,795)	(4,083)	(2,330)	(2,116)
Paid up Capital	<b>28,052</b>	28,052	28,052	28,052	26,606
Shareholders' Equity	<b>12,527</b>	19,567	19,918	23,872	26,485
Total Assets Employed	<b>15,740</b>	22,316	22,508	25,108	27,151
Loss Per Share (Sen)	<b>(1.94)</b>	(1.57)	(1.69)	(0.96)	(0.87)
Net Assets Per Share (RM)	<b>0.047</b>	0.081	0.082	0.099	0.110

### 5 Years Revenue Chart



## DIRECTORS' PROFILE

### Dato' Ir. Lim Siang Chai

Independent  
Non-Executive Chairman

Aged **67**  
Gender **Male**  
Nationality **Malaysian**

- Member of Risk Management Committee

**Dato' Ir. Lim** was appointed on 29 May 2015 as an Independent Non-Executive Chairman and was re-designated as an Executive Chairman and Managing Director on 31 July 2015. Subsequently, he was re-designated as a Non-Independent Non-Executive Chairman on 4 October 2017. On 26 March 2021, he has been re-designated as an Executive Chairman of the Company, and subsequently re-designated as an Independent Non-Executive Chairman on 18 October 2021.

Dato' Ir. Lim is a Chartered Engineer (C. Eng) registered with the Engineering Council, United Kingdom and Professional Engineer (P. Eng) registered with the Board of Engineers, Malaysia. He is a member of the Institution of Engineers Malaysia (MIEM) and Institute of Engineering and Technology of United Kingdom (MIET). Dato' Ir. Lim also holds a Master in Business Administration from Deakin University, Australia. He is an Honorary Fellow of the ASEAN Federation of Engineering Organisation and a member of the Malaysia Institute of Management (MIM). He had also undergone many technical and management training in Japan.

Dato' Ir. Lim had also served the Malaysian Government in various capacities as follows:

2010-2013	Deputy Minister of Finance
2006-2008	Deputy Minister of Tourism
2003-2006	Deputy Minister of Information
1999-2003	Parliamentary Secretary, Ministry of Transport
1995-2008	Member of Parliament (Petaling Jaya South)

Dato' Ir. Lim is actively involved in various NGOs and has held various key positions such as Adviser to the Federation of Malaysia Chinese Clans and Guilds Youth Association, Lim Clan Association of Malaysia, Gerakan Belia Bersatu Malaysia, Business and Commerce Association of Petaling District, Association of Hawkers and Small Traders of Petaling Jaya.

Dato' Ir. Lim currently is also the Non-Independent Director of Jiankun International Berhad.

### Mak Siew Wei

Executive Director

Aged **47**  
Gender **Male**  
Nationality **Malaysian**

- Member of Risk Management Committee

**Mr Mak** was appointed as an Independent Non-Executive Director on 27 July 2010 and he was re-designated as an Executive Director on 22 September 2010. Subsequently, he was re-designated as a Non-Independent Non-Executive Director on 13 January 2021. He was retired upon the conclusion of the 17th Annual General Meeting of the Company on 27 May 2021 and re-appointed as an Executive Director of the Company on 8 October 2021.

Mr Mak pursued his education in the United States and graduated with a Bachelor Degree in Management Information System and subsequently, worked for Marvic International (NY) Ltd in New York as Business Development Manager for three years.

Mr Mak currently sits on the boards of AT Systematization Berhad, Pasukhas Group Berhad, AE Multi Holdings Berhad and Trive Property Group Berhad as Executive Director.

## DIRECTORS' PROFILE

### Mejar Dato' Ismail Bin Ahmad

Independent  
Non-Executive Director

Aged **73**  
Gender **Male**  
Nationality **Malaysian**

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

**Mejar Dato' Ismail** was appointed as an Independent Non-Executive Director on 8 October 2021.

Mejar Dato' Ismail had served in the Malaysian Army for 17 years and attended courses both local and overseas.

In 1963, Mejar Dato' Ismail joined Perwira Niaga Malaysia (Pernama), a wholly-owned subsidiary of LTAT, a wholesale & international trading company. His last position in Pernama was Deputy General Manager before he left in 1999. He was the CEO of Odasaja Sdn. Bhd. in its formative years and later became the Group Executive Director of the same. He left Odasaja Sdn. Bhd. in December 2002. Since then, he has been actively contributing his knowledge and experience to various companies involved in general trading, building and construction including defense and security projects.

Mejar Dato' Ismail currently sits on the boards of MLabs Systems Berhad as Non-Independent Non-Executive Director, Pasukhas Group Berhad as Independent Non-Executive Chairman and Brahim's Holdings Berhad as Independent Non-Executive Director.

### Dato' Kang Chez Chiang

Independent  
Non-Executive Director

Aged **64**  
Gender **Male**  
Nationality **Malaysian**

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

**Dato' Kang** was appointed as an Independent Non-Executive Director on 5 March 2021.

Dato' Kang is a retired Deputy Commissioner of Police of the Royal Malaysia Police. He had served the Police Force for 39 years 6 months. He joined the Royal Malaysia Police in 1979. He had also served as Head of Intelligence Section, Head of Narcotics Crime Investigation Department ("NCID") Kuala Lumpur Police Contingent, Principal Assistant Director Intelligent and Operations, Deputy Director Intelligence and Operations.

Dato' Kang's experience is mainly in human management and operational skills from his field work at NCID acting at an advisory level to Police Directors.

Dato' Kang does not hold directorship in any other public companies and listed issuers.

## DIRECTORS' PROFILE

### Choong Mun Kit

Independent  
Non-Executive Director

Aged **47**

Gender **Male**

Nationality **Malaysian**

- Member of Nomination Committee and Remuneration Committee

**Mr Choong** was appointed as an Independent Non-Executive Director on 8 October 2021.

Mr Choong is an established Regional Manager in the Asia Pacific region with over 20 years' experience in many multinationals across the Information and Communication Technology (ICT) industry in various regional roles which include business development, branding, operations and financial accounting as well as managing in-country P&L and cash flow. He has developed expertise, market knowledge, passion and agility to excel in regional business development role in ASEAN, Japan and Korea region.

Currently, Mr Choong is with AXELOS Global Best Practice UK, as the Regional Brand Manager Asia Pacific overseeing the Asia Pacific region promoting market activities and demand creation on skilling certification products in ITIL4, PRINCE2, PRINCE2Agile, AgileSHIFT, MSP, MoP, MoR, MoV, P3O as part of AXELOS ProPath learning journey; AXELOS Academia/University/Microcredential market segment on upskilling/reskilling of young professionals; as well as AXELOS Consulting Partner (ACP) and P3M3/ITIL Maturity Model Assessment Consultancy Tool.

Mr Choong does not hold directorship in any other public companies and listed issuers.

### Kang Teik Yih

Independent  
Non-Executive Director

Aged **47**

Gender **Male**

Nationality **Malaysian**

- Chairman of Audit Committee and Risk Management Committee

**Mr Kang** was appointed as an Independent Non-Executive Director on 8 October 2021.

Mr Kang pursued his education at Royal Melbourne Institute of Technology in Australia and graduated with a degree from Royal Melbourne Institute of Technology, Melbourne, Australia majoring in Accountancy. He is a qualified professional Chartered Accountant, who is a member of both the Malaysian Institute of Accountants (MIA) as well as CPA Australia.

Mr Kang has 21 years of rich and varied experiences in Accounting, Auditing, Taxation, Company Secretarial, Financial Budgeting as well as Management Consulting across different industries and disciplines. He has assisted in the merger and acquisition process of a multi-million corporation and helped his clients on tax savings and business growth. Currently he is the founding Managing Partner of his management consulting, accounting and company secretarial practice. In addition, he maintains his active participation in his other business endeavours such as outsourcing consultant and a franchised restaurant.

Mr Kang currently sits in the boards of Trive Property Group Berhad, Green Ocean Corporation Berhad and D'Nonce Technology Bhd as Independent Non-Executive Director.

#### Note:

- None of the Directors has any family relationship with any director and/or major shareholder of the Company.
- None of the Directors has any conflict of interest with the Company.
- None of the Directors has been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2021.



## PROFILE OF KEY SENIOR MANAGEMENT

### Yeoh Siok Chen

Chief Executive Officer

Aged	<b>61</b>
Gender	<b>Male</b>
Nationality	<b>Malaysian</b>

**Mr Yeoh** was appointed as Chief Executive Officer of the Group on 1 March 2020.

Mr Yeoh holds Bachelor Degree in Arts (Economics) from University Malaya and is a member of Malaysian Institute of Accountants (MIA). He has a career spanning over more than 30 years with diversified range of experiences covering consultancy, infrastructure, transportation, oil & gas, forest plantation, manufacturing, innovative technologies and mixed property development.

Mr Yeoh does not have any interest in the securities of the Company and the Group.

### Verina

Director of PT CLS System

Aged	<b>43</b>
Gender	<b>Female</b>
Nationality	<b>Indonesian</b>

**Ms Verina** was appointed as Country Manager of PT CLS System on 24 April 2012 and appointed as a Director of PT CLS System on 1 September 2021.

Ms Verina holds a Bachelor Degree in Marketing Management from University Tarumanagara Jakarta. She has work experience for 23 years and has been working in PT CLS System for 14 years. She began her career in 2002 as Marketing Product Development for Retail Consumer Products then develops her career in Company Premium Reseller Brand Apple as a Strategic Marketing Communication for Indonesia Market. She has brought PT CLS System to achieve an award from Indonesia Award Magazine as an ASEAN Most Trusted Company for Loyalty Solution in 2016.

### Anthonius

IT Manager

Aged	<b>46</b>
Gender	<b>Male</b>
Nationality	<b>Indonesian</b>

**Mr Anthonius** was appointed as IT Manager of Advance Information Marketing Berhad since 2011.

He holds Bachelor Degree in Electronic Engineering at Atma Jaya University Jakarta. He has work experience for more than 20 years in IT field and has been working at Advance Information Marketing Berhad (AIM) for 19 years. He began his career as programmer in one of the credit card terminal provider at Jakarta and was then recruited by AIM's subsidiary to work as system specialist which provides services in system infrastructure, system analyst and system optimization.

#### Note:

- 1) None of the Key Senior Management has any directorship in public companies and listed issuers.
- 2) None of the Key Senior Management has any family relationship with any director and/or major shareholder of the Company.
- 3) None of the Key Senior Management has any conflict of interest with the Company.
- 4) None of the Key Senior Management has been convicted of any offence (other than traffic offences) within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS AND OPERATIONS REVIEW

For the year under review, the Group continued its core business of Managed Customer Loyalty Services (“MCLS”) despite the prolonged economic conditions as a result of the ongoing Covid-19 pandemic. The pandemic continue to have severe impact on the Group’s core business.

The MCLS sector remained competitive and the Group continued to improve its service delivery of digitalization for its clients. New system processes were introduced and enhanced to provide our clients a better customer journey with the advent of technology and new web applications. Despite these efforts, the general business sentiment remained slow thereby affecting our business volume effectively.

In Indonesia, an aggressive approach was adopted as we penetrated both Tokopedia and Shopee, by opening new online stores on these online shopping platforms to secure improved margin besides Business-to-Business (B2B) order transactions, as we rationalise and streamline business targets to ensure improved profit margins. Our own shopping platform called TokoLab was developed in an otherwise overcrowded e-commerce market.

Overall, the above strategies secured a better footing as the Group prepares to achieve better results for the ensuing year despite the lackluster performance of year under review. The Indonesian operations continue to be the mainstay of the Group’s business whilst efforts are underway to reduce reliance on the Indonesian subsidiary’s contribution.

## FINANCIAL REVIEW

For the year ended 31 December 2021, the Group recorded total revenue of RM7.75 million. The revenue for the year under review decreased by 29% as compared with last year’s revenue of RM10.85 million. This was mainly due to decrease in orders from our major clients as a result of strong market competition in both Malaysia and Indonesia’s MCLS segment.

The Group had recorded a loss before tax of RM5.19 million, which was higher by 36% as compared with previous year’s loss before tax of RM3.82 million.

The operating and administrative expenditure incurred had increased in current year, particularly the professional and legal fees incurred in holding company for compliance purposes and to settle the material litigations costs. Besides, the reduction in the gross profit margin in our Malaysia’s MCLS segment had also reduced the Group’s profitability.

The professional and legal fees incurred for compliance purposes as mentioned in the paragraph above amounted to around RM1.47 million, mainly for the settlement of material litigations and initial stage of the proposed Employees Share Option Scheme (“ESOS”), which the Company has made the necessary announcements.

## IDENTIFICATION OF RISKS

The ongoing pandemic is a major factor that shall continue to weigh down on the business of the Group which is unavoidable. Changes in government regulations in Indonesia had an impact on the nature of business that our subsidiary could embark on, thereby affecting financial performance. The Group in meeting these challenges are exploring options

to counter this impact such as re-capitalisation of business capital under such circumstances.

## MOVING FORWARD

Year 2021 continued to be a challenging year for the Group despite improved market sentiments. Nevertheless, the Covid-19 pandemic still continued to be a deterrent factor in the Group’s recovery.

Moving towards into the new year, the Group expects to undergo a consolidation of existing MCLS businesses for both Malaysian and Indonesian operations in view of the ever-changing and volatility at times of the internet and e-commerce sphere. The Indonesian business may be capitalised further to create a better and stronger entity to compete more effectively in the ever-competitive market.

The Group shall continue to intensify its search for a new revenue contributor in more strategically defined business sector which is in the similar or related industry to ensure future sustainability.

## DIVIDEND POLICY

In order to ensure that the Group is able to maintain its momentum of turning around the operating profitability as well as the ability to exploit new business opportunities, we have chosen not to adopt any fixed dividend policy.

The Board did not recommend any final dividend payment to the shareholders for the financial year ended 31 December 2021.

# CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors (“the Board”) acknowledges the importance of corporate social responsibility (“CSR”) and strives to fulfill the expectation of its stakeholders by enhancing its social, environmental and economic performance while ensuring the sustainability and operational success of the Group.

## STAKEHOLDERS ENGAGEMENT

Our approach to stakeholder engagement are listed as follows:-

Stakeholder Group	Type of Engagement	Engagement Focus / Objective
Shareholders	Annual General Meeting or Extraordinary General Meeting Announcement to Bursa Malaysia Securities Berhad Circulars Company’s website Advertisement of notice	Shareholders’ engagement
Customers	Meetings Emails Feedbacks	Products and service’s quality assurance and deliverability
Suppliers	Meetings and discussion Feedbacks	Sound payment practices
Employees	Meetings and discussion Training Annual performance review	Career progression and performance Employee development needs

## KEY SUSTAINABILITY MATTERS

Sustainability is an integral part of our business and the Group’s corporate responsibility practices focus on four areas, i.e. Environment, Workplace, Market Place and Community which aim to deliver sustainable value to society at large.

Through our materiality assessment, we have identified the key sustainability matters of the Group and our approach to stakeholders engagement as outlined below.

### ENVIRONMENT

The Group recognises the impact of its day-to-day business on the environment. As such, the Group is committed by implementing environmentally friendly work processes while raising the environmentally awareness among its employees. The Group has been using “go green method”, such as recycling of papers and promoting paperless environment. Also, the Group has been putting effort to minimise the consumption of energy through mindful usage of electricity.

### ECONOMIC

#### I) Workplace

The Group believes that employees are key resources that drive long term and sustainable organisation successes. As such, the Group continuously creates a safe, pleasant and conducive working environment for its employees.

The Group respects the different cultures, gender and religions of our employees as we understand that the diversity and differences give us broader range of competences, skills and experiences to enhance our

capabilities to achieve business results, which is important for the overall business sustainability. Thus, the Group is committed to provide our employees an environment of equal opportunity to strive while promoting diversity in workforce.

To optimise employee talents and capacities, various in-house trainings, external training programmes including online training, webinar and seminar are continuously provided to all employees to enhance their knowledges and skills while promoting a motivated working team and fostering a closer relationship with each other.

#### II) Market place

The Group is committed to ensure that the interests of all its important stakeholders, i.e. shareholders, analysts, bankers, customers, suppliers, authority bodies and public are well being taken care of. The Group emphasises on good corporate governance practices, transparency and accountability to meet its stakeholders’ expectations.

### SOCIAL

#### Community

The Group recognises the co-relationship between business growth and social well-being and welfare of its employees. Therefore, in fulfilling its corporate responsibility to the community in which it conducts its business, the Group is obligated to nourish and improve the quality of the society.

The Group shall continue to focus its corporate responsibility on enhancing community sustainability.

This Statement was approved by the Board of Directors on 18 April 2022.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Advance Information Marketing Berhad (“AIM” or “the Company”) and its subsidiaries (“the Group”) are committed to upholding the high standards of corporate governance with the ultimate objective of realising long-term shareholder value while taking into consideration the interest of other stakeholders.

This Corporate Governance Overview Statement summarises the extent to which the Company has applied the recommended practices encapsulated in the Malaysian Code on Corporate Governance (“MCCG”), during the financial year ended 31 December 2021 (“FYE 2021”). The details of the Group’s application of each practice set out in the MCCG are disclosed in the Corporate Governance Report (“CG Report”), which is available on the Bursa Malaysia Securities Berhad (“Bursa Securities”) website and the Company’s website at <http://www.aim-net.com.my>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The roles and responsibilities of the Board are clearly defined in the Board Charter. The Board Charter is subject to review as and when necessary and it is available for reference on the Company’s website at <http://www.aim-net.com.my>.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Director are segregated. All the Independent Non-Executive Directors are independent of the Executive Director, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board’s deliberations.

The Board would usually hold meetings at least four (4) times in each financial year to consider:-

- i) relevant operational reports from the management;
- ii) reports on the financial performance;
- iii) relevant corporate exercises;
- iv) potential opportunities for the Company, if any; and
- v) quarterly financial statements for announcement to the authority.

The Executive Director is responsible for the overall performance and operations as well as the corporate affairs and administrations of the Group. He is assisted by the senior management personnel of the Group in managing the business activities of the Group in accordance with the specific plans, instructions and directions set by the Board.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views and advice and contributing their knowledge and experience toward the formulation of policies and the decision-making process. Although all the Directors have equal responsibility for the Company’s and the Group’s operations, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Executive Director are deliberated on and have taken into account the interest, not only of the Company but also that of the shareholders, employees, customers, suppliers and the community.

In discharging its fiduciary duties, the Board has delegated specific responsibilities to its four (4) Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. The Board Committees operate and discharge their functions within the authority as laid out in their respective terms of reference approved by the Board. The Chairman of the respective Board Committees reports to the Board on matters deliberated and recommendations of the Board Committees.

Although the Group has yet to establish a formal sustainability framework and undertake material sustainability initiatives due to the other urgent priorities of addressing the Group’s fundamental business and cashflow sustainability, resolving ongoing material litigations and employees fraud in its Indonesian operations, the Group continues to uphold its values of good corporate citizenship and safeguard the wellbeing of its employees.

### Separation of Functions between Chairman and Chief Executive Officer (“CEO”)

The position of the Chairman and the CEO are held by different individuals and the roles and responsibilities of which are made clearly distinct to ensure and further enhance the existing balance of power and authority. The Chairman’s role is currently held by Dato’ Ir Lim Siang Chai, whilst Mr Yeoh Siok Chen is the CEO of the Company.

The Management team meets regularly to discuss and resolve operational issues. The CEO briefs the Board on business performance and operations as well as the management initiatives during quarterly Board’s meetings.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Chairman also ensures all Executive and Non-Executive Directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages active participation and deliberation by Board members in the Board meetings, to tap the wisdom of all Board members and promotes consensus building.

## Code of Ethics and Conduct

The Board has formalised and adopted its Code of Ethics and Conduct (“CEC”), as incorporated in the Board Charter of the Company. This CEC provides guidance on ethical and behavioural considerations and actions to the Board, management and employees. In addition, the Board has also defined and implemented the Anti-Corruption and Bribery Policy and Whistleblowing Policy and Procedures, which had been adopted by the Group.

Collectively, the CEC, Anti-Corruption and Bribery Policy and Whistleblowing Policy and Procedures help the Group in instilling and communicating its core values and standards to the organisation and stakeholders. The CEC and the aforesaid policies are subject to review as and when necessary, to ensure they continue to remain relevant and adequate. The CEC and the said policies are available on the Company’s website at <http://www.aim-net.com.my>.

## Board Composition

All members of the Board are professionals and entrepreneurs equipped with industry-specific knowledge and experience. Currently, the Board has a total of six (6) members comprising one (1) Executive Director and five (5) Independent Non-Executive Directors, exceeding the best practice of half of the board members shall be independent directors for Non-Large Company under the MCGG.

## Board Diversity

The Board is of the opinion that the Directors of the Company, with their different background and specialisations, collectively bring with them the required expertise and experience to discharge the Board’s duties and responsibilities, as well as ensure diverse range of viewpoints, to facilitate optimal and effective decision making and governance.

The Board also recognises the importance of diversity with the right mix of skills and experience in Board’s composition in ensuring its effectiveness and good corporate governance. Although the Board has yet to establish a Gender Diversity Policy, the Board will endeavor to ensure at least one female director is appointed to the Board by 1 June 2023, pursuant to Rule 15.02(1) (b) of the ACE LR and in compliance with the implementation date set by the Bursa Securities.

The Board has not established a policy on the tenure for Independent Directors of the Company. Considering the recommendation of MCGG on the tenure of an Independent Director, as at the date of this Statement, none of the Independent Directors has served the Company for a cumulative term of more than nine (9) years.

According to the Board Charter, an independent director whose tenure exceeds a cumulative term of nine (9) years may continue to serve on the Board, subject to the Director’s re-designation as a non-independent director. If the Board intends to retain such Director as Independent Director, the Board must justify the decision and seek shareholders’ approval at a general meeting.

The Independent Directors are not employees of the Company and they do not participate in the day-to-day management as well as the daily business of the Group. The Board recognises the presence of the Independent Directors is essential in providing unbiased and independent opinions at an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of management in meeting approved goals and objectives and monitor the risk profile of the Group’s business.

## Appointment and Re-election of Board Members

In accordance with the Company’s Constitution, all Directors who are appointed by the Board during the financial year shall hold office only until the following Annual General Meeting (“AGM”) subsequent to their appointment and shall be eligible for re-election. The Constitution also provides that one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, are subject to retirement by rotation at every AGM and are eligible for re-election, provided always that each Director shall retire from office at least once in every three (3) years.

## Board Meetings

The Board meets at least once every quarter, to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions is required expeditiously or urgently from the Board between the regular meetings, special Board meetings may be convened by the Company. Additionally, in between Board meetings, the Directors may also resolve and approve various matters through circulation of written resolutions.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2021, ten (10) Board meetings were held and the attendance record of each Director at the Board meetings during their tenure of office is as follows:-

Name of Director	Total No. of Meetings attended during tenure of office
<b>Dato' Ir. Lim Siang Chai</b> Independent Non-Executive Chairman <i>(Re-designated as Executive Chairman on 26 March 2021 and subsequently as Independent Non-Executive Chairman on 18 October 2021)</i>	10/10
<b>Mak Siew Wei</b> Executive Director <i>(Re-designated as Non-Independent Non-Executive Director on 13 January 2021, retired at the 17<sup>th</sup> AGM on 27 May 2021 and re-appointed on 8 October 2021)</i>	3/3 <i>(up to 27 May 2021)</i> 4/4 <i>(from 8 October 2021 onwards)</i>
<b>Dato' Kang Chez Chiang</b> Independent Non-Executive Director <i>(Appointed on 5 March 2021)</i>	9/9
<b>Mejar Dato' Ismail Bin Ahmad</b> Independent Non-Executive Director <i>(Appointed on 8 October 2021)</i>	4/4
<b>Choong Mun Kit</b> Independent Non-Executive Director <i>(Appointed on 8 October 2021)</i>	4/4
<b>Kang Teik Yih</b> Independent Non-Executive Director <i>(Appointed on 8 October 2021)</i>	4/4
<b>Azizullaili Bin Haji Jalaluddin</b> Executive Director <i>(Re-designated as Executive Director on 13 January 2021, removed on 8 October 2021)</i>	6/6
<b>Chean Meng Hee</b> Executive Director <i>(Appointed on 3 September 2021, removed on 8 October 2021)</i>	1/1
<b>Lee Kean Teong</b> Independent Non-Executive Director <i>(Resigned on 7 October 2021)</i>	6/6
<b>Ang Huat Keat</b> Non-Independent Non-Executive Director <i>(Resigned on 4 October 2021)</i>	5/5
<b>Dato' Zainuddin Bin Yaacob</b> Independent Non-Executive Director <i>(Appointed on 8 July 2021, resigned on 3 September 2021)</i>	-/-

Directors' commitment, resources and time allocated to the Company are evident from the attendance record and the Board is satisfied with the level of time and commitment given by each Directors of the Company towards fulfilling their duties and responsibilities.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship and such notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Currently, all the Directors of the Company hold not more than five (5) directorships in public listed corporation, which is in compliance with Rule 15.06 of the ACE LR.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Access to Information

The management and Company Secretary ensure that the Board receives adequate and timely information before Board and Board Committee meetings.

A notice of each meeting together with relevant Board papers are forwarded to each director no later than seven (7) days before meeting. This arrangement enables Board Members to seek clarification or further explanation from the management and Company Secretary beforehand. During the Board and Board Committees' meetings, the CEO and other key senior management were also invited to provide additional information and explanation accordingly.

## Director's Training

The Board of AIM acknowledged that new directors must attend the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Subsequently, Directors are encouraged to participate in continuous training to keep themselves abreast of the latest development and knowledge in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

Details of seminars/conferences/training programmes attended by the Board members during FYE 2021 as listed below:

Directors	Training Attended
Dato' Ir. Lim Siang Chai	Country-Level Macroeconomics and Capital Markets
Mak Siew Wei	Anti Money Laundering & Anti Bribery
Mejar Dato' Ismail Bin Ahmad	Anti Money Laundering & Anti Bribery
Dato' Kang Chez Chiang	Mandatory Accreditation Program for Directors of Public Listed Companies (31 May 2021-2 June 2021)
Kang Teik Yih	<ul style="list-style-type: none"> <li>RSA Responsible Service of Alcohol- SITHFAB002</li> <li>Advocacy Sessions for Directors &amp; Senior Management of ACE Market Listed Company</li> <li>Covid-19 &amp; Food Business</li> <li>Common Pitfall in Transaction &amp; RPT Rules</li> </ul>
Choong Mun Kit	<ul style="list-style-type: none"> <li>Multimatics' IT Service Management (ITSM) Indonesia Summit 2021</li> <li>Ge4 Global Education Summit 2021</li> <li>Acquiring and Managing Cloud Services</li> <li>Sustainability in Digital &amp; IT</li> <li>Management of Risk (MoR4)</li> <li>MicroCredentials Improve Job Prospects</li> </ul>

As at the date of this Statement, save for Mr Choong Mun Kit ("Mr Chong MK"), who was appointed to the Board on 8 October 2021, all Directors of the Company have attended the MAP training prescribed by Bursa Securities. The Company had submitted an application for an extension of time ("EOT") of MAP training for Mr Choong MK to Bursa Securities, in view of the limited availability of seat for MAP training during the period and Bursa Securities had granted Mr Chong MK its approval for an EOT up to 25 May 2022 to attend the MAP training. Mr Chong MK is expected to complete his MAP training by 25 May 2022.

In addition, the External Auditors, the Internal Auditors and the Company Secretaries would also supplement this continuing learning process by providing short briefings to the Directors on recent developments and changes in the statutory and regulatory requirements during the Board and Board Committee meetings.

## Board Committees

The Board has established four (4) Board Committees, namely the Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee to assist in discharging its relevant functions. These Board Committees were delegated with certain responsibilities as well as the authority to examine specific issues and operate within their respective Terms of Reference ("TOR") as approved by the Board and report to the Board with their proceedings, deliberations and recommendations. The ultimate responsibility for decision making, however, lies with the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board Committees for the FYE 2021 includes:-

(a) Audit Committee (“AC”)

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

The composition, attendance for meetings and summary of work of activities of the AC are set out in the AC Report on pages 20 to 23 of this Annual Report. The AC’s TOR is published on the Company’s website at <http://www.aim-net.com.my>.

(b) Risk Management Committee (“RMC”)

The RMC is entrusted with the roles and responsibilities to identify, evaluate and monitor significant risks the Group faces. The RMC meets as and when required and is required to report its proceedings, deliberations and recommendations to the AC directly.

As of the date of this Statement, the composition of the RMC is as follows:

Designation	Name	Directorship
Chairman	Kang Teik Yih	Independent Non-Executive Director
Member	Dato’ Ir Lim Siang Chai	Independent Non-Executive Chairman
Member	Mak Siew Wei	Executive Director

(c) Nomination Committee (“NC”)

The NC comprises three (3) members, all of whom exclusively Independent Non-Executive Directors, with the responsibilities of assessing the composition of the Board and/or Board Committees, proposing and recommending new nominees to the Board by looking into his/her skills and expertise for contribution to the Company and assessing Directors on an ongoing basis. The roles and responsibilities of the NC are set out in the NC’s TOR, published on the Company’s website at <http://www.aim-net.com.my>.

As of the date of this Statement, the composition of the NC is as follows:

Designation	Name	Directorship
Chairman	Mejar Dato’ Ismail Bin Ahmad	Independent Non-Executive Director
Member	Dato’ Kang Chez Chiang	Independent Non-Executive Director
Member	Choong Mun Kit	Independent Non-Executive Director

The NC meets as and when required. For the FYE 2021, the NC met once and the meeting was attended by all of its members.

The NC is responsible for leading the new board’s nomination process and key senior management and making the necessary recommendations to the Board for their appointment.

In identifying suitable new candidates, the NC will consider the recommendations from existing board members, management, major shareholders, and independent third-party source to ensure the recommended candidates could meet the expectation and gain support from the stakeholders. In addition, the NC is accountable to the Board to undertake the performance evaluation of the Board as a whole, the various Board Committees and each Director’s contribution to the board performance.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The criteria for assessing the suitability and integrity of candidates are the core competencies, time commitment, possible contribution, past performance history, their understanding of the business, markets, and the industry in which the Group operates as well as their knowledge in accounting, finance and legal matters. These criteria will be assessed in the subsequent performance review to ensure that directors continue to be able to match the increasing expectations from the stakeholders. Board Members were provided with the performance evaluation forms and questionnaires for the assessment of the Board, Board Committees and individual Directors after the end of each financial year.

Other activities carried out by the NC during the financial year include review and recommendation to the Board for the re-election of Directors who are due for retirement and be eligible for re-election at the Seventeenth AGM of the Company and proposed re-designation of Directors, if any.

All recommendations of the NC are subject to the approval of the Board.

### (d) Remuneration Committee ("RC")

The Board has set up a RC, which comprise of three (3) members, all of whom are Independent Non-Executive Directors, to assist the Board in carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration package for Directors and Senior Management team, to ensure that the remuneration package remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy.

The roles and responsibilities of the RC are set out in the RC's TOR, published on the Company's website at <http://www.aim-net.com.my>.

The composition of the RC is as follows:

Designation	Name	Directorship
Chairman	Dato' Kang Chez Chiang	Independent Non-Executive Director
Member	Mejar Dato' Ismail Bin Ahmad	Independent Non-Executive Director
Member	Choong Mun Kit	Independent Non-Executive Director

The RC meets as and when required. For the FYE 2021, the RC met once and the meeting was attended by all of its members.

The RC is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors.

Broadly, the policy for determining the remuneration for Executive Directors is based on their skills, performance and experience. In contrast, the knowledge and level of responsibility undertaken are used to determine the remuneration for Non-Executive Directors. The RC also consider the remuneration paid by other organisations of similar size and business for comparison purpose. Procedurally, each Director shall abstain in the deliberation of their own remuneration.

The remuneration of the top five Senior Management of the Company is disclosed in bands of RM50,000 without disclosing by name basis. The Board assures the shareholders that the remuneration of Senior Management commensurate with the performance of the Company, with due consideration to attract, retain and motivate Senior Management to lead and run the Company.

The review activities undertaken by the RC during the financial year include:

- (a) Payment of Directors' fees and other benefits to Non-Executive Directors;
- (b) Remuneration package of the Executive Chairman and Executive Director of the Company; and
- (c) Chief Executive Officer's bonus and revision of remuneration.

The remuneration details of all Directors are disclosed in Practice 8.1 of the CG Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Remuneration of Directors and Top Five Senior Management

### (a) Directors' Remuneration

The Company will seek the shareholders' approval at the forthcoming 18<sup>th</sup> AGM for Directors' fees and benefits payable to the Directors for the period from this 18<sup>th</sup> AGM until the next AGM of the Company in 2023. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

Details of the Directors' remuneration of the Company who served during the FYE 2021 are as disclosed in Practice 8.1 of the CG Report.

### (b) Top Five Senior Management's Remuneration

The remuneration paid to the top five senior management during the FYE 2021 analysed into bands of RM50,000 is as follows:-

Remuneration	Number of Senior Management
Below RM50,000	1
RM50,000 to RM100,000	-
RM100,001 to RM150,000	3
RM150,001 to RM200,000	-
RM200,001 to RM250,000	1
RM250,001 to RM300,000	-
RM300,001 to RM350,000	-
RM350,001 to RM400,000	-
RM400,001 to RM450,000	-

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The AC is chaired by an Independent Director who is not the Chairman of the Board. The Chairman of the AC is a member of the Malaysian Institute of Accountants and the members of the AC comprise solely of Independent Non-Executive Directors.

None of the AC member is a former key audit partner of the External Auditors, Messrs UHY and the Board does not foresee any new appointment of a former key audit partner to the Board. However, the Board and AC will observe the required cooling-off period of at least three (3) years before a former key audit partner of the Company could be appointed as a member of the AC, if any, in accordance with the Practice 9.2 of MCCG.

The AC assists the Board in discharging its statutory duties and responsibilities by:

- (i) reviewing the audits performed by the External Auditors to ensure independence;
- (ii) reviewing the recurring audit related and non-audit related services performed by the External Auditors;
- (iii) ensure accurate and timely financial reporting and compliance with applicable financial reporting standards, laws, rules and regulations;
- (iv) ensure adequate internal control in the systems and processes and that internal audit functions effectively; and
- (v) reviewing the terms of engagement provided by the External Auditors before recommending to the Board for approval.

The Board through the NC assesses the composition and performance of the AC annually, through an annual Board Committee effectiveness assessment. The Board is satisfied that the AC members discharged their functions, duties and responsibilities in accordance with the AC's TOR. The effectiveness and performance of the External Auditors are also reviewed annually by the AC.

The AC maintains transparent and professional arrangements in dealing with the Internal and External Auditors. A summary of activities and the role of the AC in relation to both the Internal and External Auditors are described in the AC Report on pages 20 to 23 of the Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Suitability and Independence of External Auditors

The Company has established a transparent arrangement with the Group's External Auditors to meet their professional requirements. The AC also has explicit authority to communicate directly with the External Auditors from time to time.

Annually, in assessing the suitability and independence of the External Auditors, the AC has taken into consideration the following:

- i) the compliance of the audit firms and partners with the regulatory requirements;
- ii) the adequacy of the experience and resources of the audit team;
- iii) their ability to meet deadlines and respond to issues promptly;
- iv) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- v) the safeguard measures in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

Annual appointment or re-appointment of the External Auditors is subject to the shareholders' approval at the AGM. The External Auditors are invited to attend the AGM to respond and reply to the Shareholders' enquiries on the conduct of the Group's statutory audit and the preparation and contents of the audited financial statements.

Every year, the AC will meet with the External Auditors without the presence of the Executive Director and Management. The External Auditors have also provided their independent declaration to the AC and the Board before and after the finalisation of the Group's statutory audit, confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

Being satisfied with the External Auditors' performance, technical competence and independence, the AC recommended the re-appointment of Messrs UHY as External Auditors for the financial year 31 December 2021.

The AC reviews the audit and non-audit services provided by the External Auditors. In reviewing such services, the AC ensures that the independence and objectivity of the External Auditors are not compromised. The External Auditors are engaged mainly to perform statutory audit on AIM Group's financial statements.

For the FYE 2021, the External Auditors undertook the following non-audit related review:

- Review of the Statement on Risk Management and Internal Control

## Effective Risk Management and Internal Control

The Board acknowledges its overall responsibility in maintaining a sound system of internal control and risk management practices. The AC assists the Board in overseeing and evaluating the adequacy and effectiveness of the Group's risk management and internal control systems. Periodically, the AC receives reports from the Internal Auditors and External Auditors on internal control lapses or deficiencies noted and their recommendations for improvement. They also assesses the timeliness of management actions to respond to the audit recommendations. The effectiveness of the internal control systems of AIM Group is reviewed periodically by the AC.

The Board has also set up a Risk Management Committee to identify, evaluate and monitor significant risks the Group faces. The said Committee is also responsible for developing risk mitigation strategies and plans.

During the financial year, the AC received reports on employees committed fraud in PT CLS System ("PTCLS"), a wholly-owned subsidiary of the Company in Indonesia. The Board has engaged independent forensic auditors to investigate the fraud case, in addition to the internal domestic investigation performed by PTCLS.

The Board has received assurance from the Executive Director and CEO that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects. Subsequent to the discovery of the fraud in Indonesia's subsidiary, Management have strengthened the internal controls on the deficiencies reported by the Internal Auditors.

The Internal Auditors report functionally to the AC and have unrestricted access to the AC. Its function is independent of the activities or operations of other operating units. The Head of Internal Audit is invited to attend the AC meetings to facilitate the deliberation of internal audit reports.

The information and further details on the Group's risk management and internal control is further elaborated on pages 24 to 27 of the Statement on Risk Management and Internal Control of this Annual Report

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board recognises that stakeholders shall be informed and updated of all developments and material information concerning the Group in timely manner. Accordingly, through the various announcements made on the Bursa Securities' and the Company's websites, the Company communicates and keeps stakeholders informed of all developments and material information necessary for their evaluation and decision making.

In order to maintain its commitment of effective communication with stakeholders, the Company embraces the practice of comprehensive, timely and continuing disclosures of information to its stakeholders, including the general investing public.

Shareholders and stakeholders may raise their concerns and queries by contacting the Management team of AIM Group, the details of which as provided under the Corporate Information section on page 1 of this Annual Report. The Company Secretary and Share Registrar are also available to attend to compliance and administrative matters relating to shareholder interests respectively.

### **Leverage on Information Technology for Effective Dissemination of Information**

The Company's website at <http://www.aim-net.com.my> incorporates an Investor Relations section that provides all governance related announcements and information made by the Company as well as its Annual Reports. Shareholders are encouraged to access the Company's website as well as Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

### **Conduct of General Meetings**

In addition to disseminating information via announcements to Bursa Securities, the Company's website, circulars and press releases, the Company's Annual General Meeting or any Extraordinary General Meetings also provides a direct channel of communication with shareholders.

The Notice of the 17<sup>th</sup> AGM of the Company was circulated 28 days prior to the date of the meeting, to provide shareholders ample time to read through the Annual Report. Due to the Covid-19 situation and restrictions imposed by the Government on physical meetings, the 17<sup>th</sup> AGM was conducted virtually through live streaming from the broadcast venue at the Company's head office on 27 May 2021. All resolutions set out in the Notice of AGM were put to vote electronically (e-vote). The 17<sup>th</sup> AGM that was conducted virtually provided an opportunity for shareholders to participate remotely at the meeting and pose relevant questions to the Chairman and the Board via real time submission of typed texts.

At the general meetings, the shareholders are encouraged to participate in the questions and answers session thereat. They will be allowed to raise questions or seek more information from the Directors or Senior Management team on the proposed resolutions during the meeting. Informal discussions between the Directors, senior management staff, the shareholders and investors are always welcomed before and after the general meetings.

Whilst the Company aims to provide as much information as possible to its shareholders, the Board is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting facilities for its forthcoming 18<sup>th</sup> AGM to be held on 23 June 2022.

## **COMPLIANCE STATEMENT**

The Board is in various stages of compliance with the Principles and Practices provided under MCCG. The Board will continue to work towards achieving the key departed practices in the coming financial years.

This Corporate Governance Overview Statement was approved by the Board of Directors on 18 April 2021.

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

The Directors are responsible for the preparation of the financial statements of the Group and of the Company for each financial year, in accordance with the applicable approved financial reporting standards and the requirements of the Companies Act 2016 in Malaysia.

The Directors are also responsible to ensure that the necessary internal control is in place, to facilitate the preparation of the financial statements that gives a true and fair view of the financial position of the Group and of the Company, and that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2021, the Directors have observed the following criteria:

- overseeing the overall conduct of the Company's business and that of the Group;
- identifying principal risks and ensuring that an appropriate system of internal control is in place to manage these risks;
- reviewing the adequacy and integrity of the internal control system and management information system in the Company and within the Group;
- adopting suitable accounting policies and apply them consistently;
- stating whether the applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements;
- making judgments and estimates that are reasonable and prudent; and
- assessing the Group's and the Company's ability to continue as going concern and ensuring that the necessary disclosure on matters related to going concern were prepared in compliance with all applicable approved financial reporting standards in Malaysia subject to any material departures, if any, were disclosed.

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

The Directors are responsible for taking such reasonable steps to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

This Statement was approved by the Board of Directors on 18 April 2022.

# AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Advance Information Marketing Berhad (“AIM” or “the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2021 (“FYE 31 December 2021”).

## COMPOSITION OF THE AC

The AC comprises the following three (3) members of the Board, all of whom are Independent Non-Executive Directors:

Designation	Name	Directorship
Chairman	Kang Teik Yih	Independent Non-Executive Director
Member	Dato’ Kang Chez Chiang	Independent Non-Executive Director
Member	Mejar Dato’ Ismail Bin Ahmad	Independent Non-Executive Director

Mr Kang Teik Yih is a qualified professional Chartered Accountant, who is a member of both the Malaysian Institute of Accountants (“MIA”) as well as CPA Australia.

The Board assesses the composition and performance of the AC and its members through an annual Board Committee effectiveness assessment. Based on the assessment conducted for the financial year ended 31 December 2021, the Board was of the view that the present composition of the AC was appropriate. The Board was also satisfied that the AC and its members discharged their functions, duties and responsibilities, in accordance with the AC’s Terms of Reference.

## ATTENDANCE OF THE AC MEMBERS

During the FYE 2021, the AC held five (5) meetings. Details of the attendance of committee members are as follows:

No.	Name	No. of Meetings attended
1.	Lee Kean Teong*	4/4
2.	Ang Huat Keat**	4/4
3.	Dato’ Kang Chez Chiang	5/5
4.	Kang Teik Yih^	1/1
5.	Mejar Dato’ Ismail Bin Ahmad^	1/1

\* Resigned w.e.f. 7 October 2021

\*\* Resigned w.e.f. 4 October 2021

^ Appointed w.e.f. 8 October 2021

Other Board members, Chief Executive Officer, Finance Manager and representatives of the External Auditors, Internal Auditors and/or Forensic Auditors of AIM Group were present by invitation to brief the AC on specific issues, as and when necessary, with the Company Secretary in attendance. Certain members of the Management team were also invited to attend these meetings to assist in clarifying matters raised at the meetings on a need basis.

The AC Chairman reports to the Board on matters deliberated at every AC meeting and recommendations made by the AC.

## TERMS OF REFERENCE

The Terms of Reference of the AC is available on the Company’s website at <http://www.aim-net.com.my>.

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORK OF THE AC

During the FYE 31 December 2021, the main activities carried out by the AC, amongst others, include the following:

### 1. Financial Reporting

- a) Reviewed the quarterly unaudited financial results of the Group and of the Company including the announcements pertaining thereto, before recommending to the Board for approval and release of the Group's financial results to Bursa Malaysia Securities Berhad ("Bursa Securities"); and
- b) Reviewed the annual Audited Financial Statements ("AFS") of the Group before recommending to the Board for approval and inclusion into the Annual Report of the Company to be submitted to Bursa Securities.

The following reviews have been carried out to ensure that the Group's and the Company's quarterly interim financial statements and related disclosures present a true and fair view of the Group's and of the Company's financial position and performance and are in compliance with the applicable approved financial reporting standards in Malaysia as well as the applicable disclosure provisions of the ACE Market Listing Requirements ("ACE LR") of Bursa Securities.

Date of Meetings	Review of Quarterly Interim Financial Statements/ AFS
26 March 2021	Fourth quarter results for the FYE 31 December 2020
23 April 2021	Draft AFS for the FYE 31 December 2020
4 June 2021	First quarter results for the FYE 31 December 2021
23 August 2021	Second quarter results for the FYE 31 December 2021
25 November 2021	Third quarter results for the FYE 31 December 2021

### 2. External Audit

- a) Reviewed with the external auditors on their audit scope and audit planning memorandum as well as their proposed fees for the statutory audit of the Group for the FYE 31 December 2021;
- b) Reviewed and discussed with the external auditors on their audit findings and areas of concern inclusive of system evaluation, audit fees, issues raised, significant and unusual events or transactions, audit recommendations and management's response to those recommendations;
- c) Discussed with the external auditors the significant accounting and auditing issues, impact of new or proposed changes in financial reporting standards and regulatory requirements applicable to the Group; and
- d) Evaluated the performance, objectivity and independence of the external auditors in carrying out statutory audit for the Group and prior to the engagement of the external auditors for ad-hoc non-audit services for the FYE 31 December 2021 and make recommendations to the Board on their re-appointment and remuneration for ensuing year.

The AC received confirmation from the external auditors, Messrs. UHY ("UHY") that they adhered to the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") in relation to communication of breaches of auditor's independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code.

The AC undertook an annual assessment of the performance of the external auditors for the FYE 31 December 2021, covering areas such as scope of work, calibre, quality control processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the external auditors. The AC was satisfied that UHY were unlikely to create any conflict of interest nor impair the independence, suitability and performance of UHY and thus, recommended to the Board to seek shareholders' approval for the re-appointment of UHY as external auditors for the FYE 31 December 2021 at the AC meeting held on 23 April 2021.

# AUDIT COMMITTEE REPORT

## 3. Internal Audit

- a) Reviewed and assessed the adequacy of the scope and areas of coverage of the internal audit plan and the proposed internal audit fee for the FYE 31 December 2021;
- b) Reviewed the internal audit reports presented by the internal auditors and considered the audit findings and recommendations to improve any weaknesses or non-compliance and the respective management responses thereto; and
- c) Reviewed the effectiveness of the Group's risk management and internal control system.

The AC reviewed the audit findings and recommendations on the areas of concern highlighted by the internal auditors and the respective Management's responses thereto. The internal auditors monitored the implementation of Management's action plan on outstanding issues through follow-up reports to ensure that all highlighted key risks and control weaknesses are being properly addressed.

## 4. Recurrent Related Party Transactions and Related Party Transactions

The AC reviewed the Recurrent Related Party Transactions ("RRPT") and/or Related Party Transactions ("RPT") that arose and discussed on the possible conflict of interest situation that may arise within the Company or the Group, to ensure that:

- a) transactions with related parties and/or interested persons were conducted at arm's length basis and on normal commercial terms and that the internal control procedures with regards to such transactions were sufficient, not prejudicial to the interests of the Group and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the ACE LR of Bursa Securities); and
- b) the transactions are fair and reasonable and are not detrimental to the minority shareholders.

The AC was satisfied that the processes were adequate to ensure the transactions had been made at arm's length basis, not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner. However, the Group did not have any RRPT and RPT transacted during the financial year under review.

## 5. Other Activities

- a) Reviewed the forensic audit reports presented by the forensic auditors pertaining to the fraud incident which happened within the Group and the proposed forensic audit fee pertaining thereto;
- b) Reviewed the Company's compliance with the ACE LR, applicable approved financial reporting standards and other relevant legal and regulatory requirements;
- c) Reviewed corporate governance practices adopted by the Group based on the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia ("SC") in April 2017. The AC has taken note of the revisions made to the MCCG by the SC in April 2021, whereby the Company is required to report its application to the revised MCCG for the FYE 31 December 2021.
- d) Reviewed the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Controls before recommending to the Board for approval and inclusion in the Annual Report; and
- e) Report to the Board on its activities and significant findings and results.



# AUDIT COMMITTEE REPORT

## SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The AC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The internal audit function's principal role is to assist the AC and the Board in conducting independent assessment and systematic reviews on the Group's internal control system and governance practices, so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The AC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

The Group has engaged Messrs IA Essential Sdn Bhd ("IA Essential"), an independent and established consulting company specialised in internal audit services as the Internal Auditors of the Company and of the Group, to conduct high-level review of the internal control framework of the Group with the objective to assist the AC in ensuring the adequacy and effectiveness of the Group's internal control systems by identifying the area of improvement, if any, and to improve the adequacy and robustness of the internal control functions of the Group. Each audit review is engaged by approximately two to three internal auditors depending on the areas of audit.

The Internal Auditors conduct reviews in accordance with the internal audit plan and scope approved by the AC. During the financial year, the Internal Auditors have reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to the internal control process, which were all presented to the AC via internal audit reports together with the relevant action plans formulated by Management to address the issues noted. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

For the FYE 31 December 2021, the following activities were conducted by the Internal Auditors:

1. Tabled the Internal Audit Plan for the FYE 31 December 2021 for AC's review and endorsement;
2. Conducted internal audit reviews based on the previously approved Internal Audit Plan;
3. Issued internal audit reports incorporating audit recommendations and Management's responses in relation to the audit findings on the systems and controls of the Group to the AC and Management; and
4. Presented internal audit reports to the AC for review and consideration.

The total costs incurred by the Company in respect of the internal audit services performed by IA Essential for the FYE 31 December 2021 was approximately RM22,000 (FYE2020: RM20,000).

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control on pages 24 to 27 in this Annual Report.

The AC Report was presented and approved by the Board of Directors on 18 April 2022.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of Advance Information Marketing Berhad (“the Company”) is pleased to provide the following Statement on Risk Management and Internal Control (“SORMIC”) of the Company and its subsidiaries (“the Group”) which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2021, pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Malaysian Code on Corporate Governance (“MCCG”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITY

The Board understands the principle risks of the business that the Group is engaged in and is committed towards maintaining a sound system of risk management and internal control in achieving its business objectives and operational efficiency. The Board is regularly informed on the effectiveness of the risk management and internal control of the Group and is of the view that it is adequate to safeguard shareholders’ interest and the Group’s assets.

The Board recognises that the system of risk management and internal control should be continuously improved and fine-tuned in line with the evolving business and operating environment. Nonetheless, it should be noted that all risk management and internal control system could only manage rather than eliminate the risks. Therefore, a sound system of internal control could only provide reasonable but not absolute assurance against material misstatement of financial information, loss or fraud and reduces, but cannot eliminate, the possibility of poor judgment in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board has approved the Group Risk Management Policy which outlines the principles of risk management, the Board’s and Management’s risk management responsibilities and the objectives that the Board expects to achieve by putting in place a formal, structured and documented integrated risk management framework for the Group.

Currently, the risk management process of identifying, evaluating, monitoring and managing significant risks faced by the Group are embedded in the Group’s operating and business processes. These processes are undertaken by the Executive Director, Chief Executive Officer (“CEO”) and Management team in their daily course of work on an ongoing basis. The Board confirms that the aforesaid risk management process is in place for the financial year under review and up to the date of issuance of this SORMIC.

The Board uses the following key controls, processes, information and review mechanisms to follow up on the progress of management actions and to ensure that the established policies, guidelines and procedures are followed and complied with, to derive comfort on the state of internal control and risk management within the Group:

- A Risk Management Committee (“RMC”) has been set up to constantly identify, evaluate and monitor significant risks faced by the Group. The said committee is also responsible for the development of risk mitigation strategies and plans;
- Board discussions with Management during board meetings on the Group’s business and operational issues as well as the measures taken by Management to mitigate and manage risks associated with the business environment;
- Delegation and separation of responsibilities between the Board and Management. The Executive Director and CEO report to the Board on the performance of the operations while the Board scrutinises Management’s performance to ensure its effectiveness and objectivity;
- The Executive Director and CEO meet periodically to discuss and review the Group’s cash flows, financial and business units’ performances, funding and operational issues to ensure that challenges and risks are addressed timely and appropriately;
- Regular internal audit reviews are carried out to identify any areas of improvement, besides compliance with internal control best practices, guidelines and objectives to ensure that the system of internal control is effectively administered and regularly monitored;
- The Audit Committee (“AC”) reviews and discuss with Management the unaudited quarterly financial results and audited financial statements to monitor on the Group’s performances and to recommend the same to the Board for approval;

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The AC also discuss with the External Auditors on the key concerns and findings on financial and internal control matters at the audit planning, interim and final stage of the audit, and the follow-up actions by Management;
- The AC also discuss with the Forensic Auditors on the fraud findings and implications pertaining to a fraud incident happened within the Group; and
- Legal advices are sought to ensure that contractual risks are appropriately addressed and managed before entering into material contracts or agreements.

The system of internal control is also structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact on the Group's objectives arising from a future event or situation is at the acceptable level to the business, through a combination of prevention, detective and corrective measures.

## INTERNAL AUDIT FUNCTIONS

The Company has outsourced its internal audit function to IA Essential Sdn Bhd ("IA Essential"), a third-party internal audit firm.

Functionally, the Internal Auditors report to the AC. The AC has reviewed and approved the scope of work of the Internal Auditors to ensure that the audit direction is appropriate and remains relevant. Private session with the Internal Auditors will be held without management by the AC if needed to allow the Internal Auditors to exchange their views freely with the AC. Also, to ensure the objectivity and independence of the audit team, the AC reviews the engagement proposed by the Internal Auditors annually.

The internal audit team has conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

During the financial year, the Internal Auditors performed a review on PT CLS System ("PTCLS"), the wholly-owned subsidiary operating in Jakarta, Indonesia. The areas covered in the review were Sales and Collection, Purchasing, Inventory and Employee Claims and Incentives.

The following work has been carried out:

- i) Assessed control procedures in ensuring the accuracy, completeness and timeliness of billings;
- ii) Reviewed the receipt and collection procedures, bank-in procedures, status of account receivables aging and effectiveness of Management collection actions, and bank reconciliation;
- iii) Verified the posting of sales, collection and bank or cash transactions in ledger;
- iv) Reviewed the compliance of purchase authority limit, Purchase Order approval, payment approval and processing, account payable aging and reconciliation;
- v) Verified the posting of purchase, payment and bank or cash transactions in ledger;
- vi) Reviewed the control and recording procedures of stock issuance, receiving, inspection and return;
- vii) Reviewed and compared the physical stock balances against the stock balances in the system; and
- viii) Reviewed the compliance of claim limit, advances, supporting documents, approval of employee claims or incentives.

The AC and the Board agreed that the internal audit review carried out for the financial year under review was in accordance with the approved internal audit plan and the scope of coverage was adequate.

Based on their review, the Internal Auditors suggested actions to tighten the control lapses in the Sales, Collection, Purchasing and Inventory functions to address the employee fraud reported by management.

The total cost incurred by the Company in respect of the outsourced internal audit function and internal audit services performed by IA Essential for the financial year ended 31 December 2021 is approximately RM22,000 (FY2020: RM20,000).

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Management is responsible for assisting the Board in identifying risks relevant to the business of the Group, implementing Board's policies and strategies, maintaining sound system of risk management and internal control, and monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group from achieving its objectives and performance.

The responsibilities of Management in respect of risk management include but not limited to the following:

- identify the risks relevant to the business of the Group and the achievement of the Group's objectives and strategies;
- design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the RMC, AC and the Board.

The Board has received assurance from the Executive Director and CEO that to the best of their knowledge, the Group's risk management and internal control system has been operating adequately and effectively in all material aspects, throughout the financial year under review and up to the date of issuance of this SORMIC.

## REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this SORMIC in accordance with Rule 15.23 of the ACE LR of Bursa Securities and pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Company for the year ended 31 December 2021, and reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

## CONCLUSION

For the financial year under review and up to the date of approval of this SORMIC, the Board is satisfied that the existing risk management and internal control system in place is adequate and effective to safeguard the Group's interests and enable the Group to achieve its business objectives. There were also no material losses arising from significant control weaknesses that require additional disclosure in the Annual Report.

The Board has worked together with Management in respect of the following:

- Determining the Group's risk appetite and tolerance and ensuring that this is communicated appropriately;
- Understanding and ensuring the adequacy of the risk management practices;
- Reviewing the current level of risks in relation to risk appetite as an integral part of monitoring and measuring performance; and
- Ensuring that actions are taken in a timely manner when risks are outside tolerable range.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

When assessing the adequacy and effectiveness of the Group's risk management and internal control system, the Board is to ensure the following:

- The processes for establishing the Group's longer and shorter-term objectives and strategies, and whether they give appropriate consideration of risk;
- The processes for determining the Group's risk appetite, and communicating them appropriately;
- The Group's risk policies and procedures;
- Management's processes for identifying, analysing, evaluating, and treating risks, including communication of risk and control information across the business;
- Management's processes for monitoring internal control and risk management provides reasonable assurance that the business continuously operates effectively and are modified as business conditions or risks change; and
- Management's reporting of risk to provide the Board with sufficient visibility of risks across the Group, and also to consider whether necessary actions are being taken promptly to remedy significant failings or weaknesses.

This SORMIC was presented and approved by the Board of Directors on 18 April 2022.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid/payable to UHY, the External Auditors by the Company and by the Group respectively for the financial year ended 31 December 2021 were as follows:

	Company (RM)	Group (RM)
<b>Audit Fee for Services Rendered by UHY</b>	RM50,000	RM83,063
<b>Non-Audit Fee for Services Rendered by UHY:</b>		
(a) Review of Statement on Risk Management and Internal Control	RM5,000	RM5,000

### 2. REVALUATION POLICY

The Company does not have a revaluation policy on landed properties.

### 3. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

There were no other material contract and/or contract relating to loan entered into by the Company and/or its subsidiary companies involving any Directors, Chief Executive and Major Shareholders' interests.

### 4. UTILISATION OF PROCEEDS

The Company did not raise any funds from any corporate proposal during the financial year ended 31 December 2021.



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

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

## Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

## Financial Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Loss for the financial year, attributable to owners of the parent	5,161,551	2,972,795

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant event during the year as disclosed in Note 36 to the financial statements.

## Reserves and Provisions

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

## Dividends

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

## Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

## Treasury Shares

During the financial year, the Company disposed its entire treasury shares of 24,090,500 for a total net consideration of RM3,587,844 (after deducting transaction costs) in the open market at average price of RM0.15 per share. Further information is as disclosed in Note 16 to the financial statements.

## Share Options

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



# DIRECTORS' REPORT

## Directors

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

Dato' Ir Lim Siang Chai*	
Mak Siew Wei*	(Retired on 27.5.2021 and reappointed on 8.10.2021)
Dato' Kang Chez Chiang	(Appointed on 5.3.2021)
Choong Mun Kit*	(Appointed on 8.10.2021)
Kang Teik Yih	(Appointed on 8.10.2021)
Mejar Dato' Ismail Bin Ahmad	(Appointed on 8.10.2021)
Dato' Zainuddin Bin Yaacob	(Appointed on 8.7.2021 and resigned on 3.9.2021)
Chean Meng Hee	(Appointed on 3.9.2021 and removed on 8.10.2021)
Ang Huat Keat*	(Resigned on 4.10.2021)
Lee Kean Teong	(Resigned on 7.10.2021)
Azizullaili Bin Haji Jalaluddin*	(Removed on 8.10.2021)

\* Director of the Company and of its subsidiary companies

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

## Directors' Interests in Shares

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

	Number of Ordinary Shares			
	At 1.1.2021	Bought	Sold	At 31.12.2021
<b>Interests in the Company</b>				
<b>Direct Interests</b>				
Mak Siew Wei	16,000,000	55,743,416	-	71,743,416

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

## Directors' Benefits

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 31(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31(b) to the financial statements.

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

# DIRECTORS' REPORT

## Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM3 million and RM7,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# DIRECTORS' REPORT

## **Subsidiary Companies**

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

## **Significant Events**

The details of the significant events are disclosed in Note 36 to the financial statements.

## **Auditors**

The auditors, UHY have indicated their willingness to continue in office.

## **Auditors' Remuneration**

The amount paid as remuneration of the auditors for the financial year ended 31 December 2021 is as disclosed in Note 25 to the financial statements.

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

**DATO' IR LIM SIANG CHAI**

**MAK SIEW WEI**

KUALA LUMPUR

18 April 2022

## STATEMENT BY DIRECTORS

The Directors of Advance Information Marketing Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions 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 of 31 December 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

**DATO' IR LIM SIANG CHAI**

**MAK SIEW WEI**

KUALA LUMPUR

18 April 2022

## DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Yeoh Siok Chen (MIA Membership No: 8916), the officer primarily responsible for the financial management of Advance Information Marketing Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**YEOH SIOK CHEN**

Subscribed and solemnly declared by the abovenamed Yeoh Siok Chen at Kuala Lumpur in the Federal Territory, this 18 April 2022

Before me,

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No. W790  
ZAINAL ABIDIN BIN AHMAD  
COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ADVANCE INFORMATION MARKETING BERHAD

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Advance Information Marketing Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

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

#### Independence and Other Ethical Responsibilities

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

#### Emphasis of Matter

We draw attention to Note 35 of the financial statements, which describes the uncertainty relating to the outcome of the lawsuit filed against the Company by Customer Loyalty Solutions Sdn. Bhd. (In Liquidation). Our opinion is not modified with respect to this matter.

#### 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. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the 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 the fact. We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ADVANCE INFORMATION MARKETING BERHAD

### **Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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.

### **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.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ADVANCE INFORMATION MARKETING BERHAD

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

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

We also provide the Directors with a statement that we have compiled 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 safeguard applied.

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

### **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, are disclosed in Note 7 to the financial statements.

### **Other Matters**

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

UHY  
Firm Number: AF 1411  
Chartered Accountants

YEOH AIK CHUAN  
Approved Number: 02239/07/2022 J  
Chartered Accountant

KUALA LUMPUR

18 April 2022

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	4,445,296	4,603,629	2,498	1,380
Right-of-use assets	5	1,417,137	1,553,142	-	-
Intangible assets	6	100,172	36,821	-	-
Investments in subsidiary companies	7	-	-	541,694	541,694
Other investments	8	3,482,616	9,229,622	3,482,616	9,229,622
Deferred tax assets	9	70,864	82,087	-	-
Amount due from a subsidiary company	10	-	-	1,183,542	1,100,966
		9,516,085	15,505,301	5,210,350	10,873,662
<b>Current assets</b>					
Inventories	11	97,532	599,061	-	-
Trade receivables	12	836,570	2,100,508	-	-
Other receivables	13	190,128	141,371	110,118	10,647
Amount due from subsidiary companies	10	-	-	107,276	-
Tax Recoverable		21,978	-	-	-
Deposits, bank and cash balances	14	4,074,826	3,969,451	2,807,063	3,115,286
Liquid Investment		1,002,394	-	1,002,394	-
		6,223,428	6,810,391	4,026,851	3,125,933
<b>Total assets</b>		15,739,513	22,315,692	9,237,201	13,999,595
<b>EQUITY</b>					
Share capital	15	28,051,999	28,051,999	28,051,999	28,051,999
Treasury shares	16	-	(4,057,844)	-	(4,057,844)
Reserves	17	(15,525,150)	(4,426,711)	(19,194,151)	(10,077,473)
<b>Total equity</b>		12,526,849	19,567,444	8,857,848	13,916,682
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	18	1,482,250	1,524,942	-	-
Lease liabilities	19	-	8,916	-	-
Employee benefits	20	266,405	317,416	-	-
		1,748,655	1,851,274	-	-
<b>Current liabilities</b>					
Loans and borrowings	18	721,881	38,799	-	-
Lease liabilities	19	8,916	26,324	-	-
Trade payables	21	222,999	545,285	-	-
Other payables	22	510,213	263,061	379,353	82,913
Provision for taxation		-	23,505	-	-
		1,464,009	896,974	379,353	82,913
<b>Total liabilities</b>		3,212,664	2,748,248	379,353	82,913
<b>Total equity and liabilities</b>		15,739,513	22,315,692	9,237,201	13,999,595

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



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	23	7,751,671	10,851,054	-	-
Cost of sales		(6,798,490)	(9,808,042)	-	-
Gross profit		953,181	1,043,012	-	-
Other income		168,448	453,983	153,647	363,444
Net loss on impairment of financial instruments		-	-	-	(1,095,574)
Administrative expenses		(6,173,291)	(5,098,349)	(3,126,442)	(2,604,415)
Distribution costs		(36,486)	(98,267)	-	-
Other expenses		(7,564)	(21,757)	-	-
<b>Loss from operations</b>		<b>(5,095,712)</b>	<b>(3,721,378)</b>	<b>(2,972,795)</b>	<b>(3,336,545)</b>
Finance costs	24	(91,392)	(99,825)	-	(2,466)
<b>Loss before tax</b>	25	<b>(5,187,104)</b>	<b>(3,821,203)</b>	<b>(2,972,795)</b>	<b>(3,339,011)</b>
Taxation	26	25,553	25,983	-	-
<b>Loss for the financial year</b>		<b>(5,161,551)</b>	<b>(3,795,220)</b>	<b>(2,972,795)</b>	<b>(3,339,011)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of defined benefit liability	20	173,410	(65,392)	-	-
Income tax relating to remeasurement of defined benefit liability	26	(38,150)	14,585	-	-
		135,260	(50,807)	-	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Equity instruments measured at fair value through other comprehensive income		(5,673,883)	3,649,109	(5,673,883)	3,649,109
Exchange translation differences for foreign operations		71,735	(154,014)	-	-
		(5,602,148)	3,495,095	(5,673,883)	3,649,109
<b>Other comprehensive (loss)/income for the financial year</b>		<b>(5,466,888)</b>	<b>3,444,288)</b>	<b>(5,673,883)</b>	<b>3,649,109)</b>
<b>Total comprehensive (loss)/income for the financial year</b>		<b>(10,628,439)</b>	<b>(350,932)</b>	<b>(8,646,678)</b>	<b>310,098)</b>
<b>Loss for the financial year attributable to:</b>					
Owners of the parent		(5,161,551)	(3,795,220)	(2,972,795)	(3,339,011)
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the parent		(10,628,439)	(350,932)	(8,646,678)	310,098)
<b>Loss per share (sen)</b>					
Basic and diluted loss per share	27	(1.94)	(1.57)		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Attributable to owners of the parent					
	Non-distributable			Distributable		
	Share capital RM	Treasury shares RM	Fair value reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
<b>At 1 January 2021</b>	28,051,999	(4,057,844)	4,264,361	(796,108)	(7,894,964)	19,567,444
Disposal of treasury shares	-	4,057,844	-	-	(470,000)	3,587,844
Loss for the financial year	-	-	-	-	(5,161,551)	(5,161,551)
Other comprehensive income/(loss) for the financial year	-	-	(5,673,883)	71,735	135,260	(5,466,888)
Total comprehensive income/(loss) for the financial year	-	-	(5,673,883)	71,735	(5,026,291)	(10,628,439)
<b>At 31 December 2021</b>	28,051,999	-	(1,409,522)	(724,373)	(13,391,255)	12,526,849
<b>At 1 January 2020</b>	28,051,999	(4,057,844)	615,252	(642,094)	(4,048,937)	19,918,376
Loss for the financial year	-	-	-	-	(3,795,220)	(3,795,220)
Other comprehensive income/(loss) for the financial year	-	-	3,649,109	(154,014)	(50,807)	3,444,288
Total comprehensive income/(loss) for the financial year	-	-	3,649,109	(154,014)	(3,846,027)	(350,932)
<b>At 31 December 2020</b>	28,051,999	(4,057,844)	4,264,361	(796,108)	(7,894,964)	19,567,444

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Company	Attributable to owners of the parent				
	Non-distributable		Distributable		
	Share capital RM	Treasury shares RM	Fair value reserve RM	Accumulated losses RM	Total equity RM
<b>At 1 January 2021</b>	28,051,999	(4,057,844)	4,264,361	(14,341,834)	13,916,682
Disposal of treasury shares	-	4,057,844	-	(470,000)	3,587,844
Loss for the financial year	-	-	-	(2,972,795)	(2,972,795)
Other comprehensive income for the financial year	-	-	(5,673,883)	-	(5,673,883)
Total comprehensive income/(loss) for the financial year	-	-	(5,673,883)	(2,972,795)	(8,646,678)
<b>At 31 December 2021</b>	28,051,999	-	(1,409,522)	(17,784,629)	8,857,848
<b>At 1 January 2020</b>	28,051,999	(4,057,844)	615,252	(11,002,823)	13,606,584
Loss for the financial year	-	-	-	(3,339,011)	(3,339,011)
Other comprehensive income for the financial year	-	-	3,649,109	-	3,649,109
Total comprehensive income/(loss) for the financial year	-	-	3,649,109	(3,339,011)	310,098
<b>At 31 December 2020</b>	28,051,999	(4,057,844)	4,264,361	(14,341,834)	13,916,682

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash Flows From Operating Activities</b>				
Loss before tax	(5,187,104)	(3,821,203)	(2,972,795)	(3,339,011)
Adjustments for:				
Amortisation of intangible assets	11,353	6,033	-	-
Defined benefit obligations	117,746	81,189	-	-
Depreciation of:				
- property, plant and equipment	256,161	322,269	531	76,063
- right-of-use assets	97,355	140,740	-	31,659
Dividend on money market fund	(2,394)	-	(2,394)	-
Gain on modification of lease contracts	-	(1,384)	-	(1,384)
Loss/(Gain) on disposal of:				
- investment in quoted shares	73,123	(62,191)	73,123	(62,191)
Impairment loss on:				
- amount due from subsidiary companies	-	-	-	1,115,574
- investments in subsidiary companies	-	-	-	329,917
Property, plant and equipment written off	4,043	-	-	-
Reversal of impairment loss on:				
- amount due from subsidiary companies	-	-	-	(20,000)
Finance costs	91,392	99,825	-	2,466
Finance income	(46,420)	(195,290)	(40,564)	(131,918)
Unrealised (gain)/loss on foreign exchange	(118)	61	(82,577)	123,685
Operating loss before working capital changes	(4,584,863)	(3,429,951)	(3,024,676)	(1,875,140)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Operating loss before working capital changes (Cont'd)		(4,584,863)	(3,429,951)	(3,024,676)	(1,875,140)
Change in working capital:					
Inventories		501,529	489,187	-	-
Receivables		1,215,181	(1,032,672)	(99,471)	(1,077)
Payables		(104,704)	227,362	296,440	4,161
Cash used in operations		(2,972,857)	(3,746,074)	(2,827,707)	(1,872,056)
Employee benefits paid		(1,595)	(46,839)	-	-
Interest received		46,420	195,290	40,564	131,918
Interest paid		(91,392)	(99,825)	-	(2,466)
Tax refund		-	19,623	-	-
Tax paid		(45,483)	-	-	-
Net cash used in operating activities		(3,064,907)	(3,677,825)	(2,787,143)	(1,742,604)
<b>Cash Flows From Investing Activities</b>					
Acquisition of:					
- intangible assets	6	(74,014)	(36,255)	-	-
- property, plant and equipment	4	(29,349)	(135,102)	(1,649)	(960)
Advances to subsidiary companies		-	-	-	(746,509)
Proceeds from disposal of investments in quoted shares		-	103,482	-	103,482
Net changes in deposits not for short-term funding requirement		1,201,049	2,551,963	1,201,049	2,551,963
Investment in money market fund		(1,000,000)	-	(1,000,000)	-
Net cash from investing activities		97,686	2,484,088	199,400	1,907,976

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash Flows From Financing Activities</b>					
Proceed from disposal of treasury shares		3,600,494	-	3,600,494	-
Transaction cost from disposal of treasury shares		(12,650)	-	(12,650)	-
Drawdown of term loan		656,124	-	-	-
Repayment of term loan		(15,734)	(25,223)	-	-
Repayment to subsidiary company		-	(107,275)	-	-
Payment of lease liabilities		(26,324)	(60,862)	-	(31,134)
Net cash from/(used in) financing activities		4,201,910	(86,085)	3,480,569	(31,134)
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		1,234,689	(1,279,822)	892,826	134,238
<b>Cash and cash equivalents at the beginning of the financial year</b>					
		1,458,965	2,892,862	604,800	470,562
Effect of exchange translation differences on cash and cash equivalents		71,735	(154,075)	-	-
<b>Cash and cash equivalents at the end of the financial year</b>					
		2,765,389	1,458,965	1,497,626	604,800
<b>Cash and cash equivalents at the end of the financial year comprises:</b>					
Cash and bank balances	14	2,765,389	355,389	1,497,626	101,824
Deposits with licensed bank	14	1,309,437	3,614,062	1,309,437	3,013,462
		4,074,826	3,969,451	2,807,063	3,115,286
Less: Deposits not for short-term funding requirements	14	(1,309,437)	(2,510,486)	(1,309,437)	(2,510,486)
		2,765,389	1,458,965	1,497,626	604,800

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 1. Corporate Information

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

The principal place of business of the Company is located at No. 18, Jalan Balam, 51100 Kuala Lumpur.

The registered office of the Company was changed from Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan to Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur with effect of 1 October 2021. With effect from 3 January 2022, the Company's registered office has been changed to A1-2-2, Solaris Dutamas No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

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

## 2. Basis of Preparation

### (a) Statement of compliance

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

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

### Adoption of amended standards

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

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 16

Covid-19 Related Rent Concessions

Amendments to MFRS 101

Classification of Liabilities as Current or Non-Current – Deferral of Effective Date

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139

Interest rate benchmark reform – Phase 2

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standard 2018 – 2020		1 January 2022
	<ul style="list-style-type: none"> <li>• Amendments to MFRS 1</li> <li>• Amendments to MFRS 9</li> <li>• Amendments to MFRS 16</li> <li>• Amendments to MFRS 141</li> </ul>	
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 -Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

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

### (b) Functional and presentation currency

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 2. Basis of Preparation (Cont'd)

### (c) Significant accounting judgements, estimates and assumptions

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

#### Judgements

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

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

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

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

The Group includes the renewal period as part of the lease term for leases of warehouse, photocopy machine and motor vehicle with cancellable period included as part of the lease term as these are reasonably certain to include extension options in new leases to provide operational flexibility. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### Key sources of estimation uncertainty

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

#### Useful lives of property, plant and equipment and right-of-use ("ROU") assets

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 2. Basis of Preparation (Cont'd)

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

#### Impairment of investments in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies are disclosed in Note 7.

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 9.

#### Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 11.

#### Determination of transaction prices

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

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

#### Provision for expected credit loss of financial assets at amortised cost

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

The carrying amounts at the reporting date for receivables are disclosed in Notes 10, 12 and 13 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 2. Basis of Preparation (Cont'd)

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

#### Key sources of estimation uncertainty (Cont'd)

##### Discount rate used in leases

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

##### Defined benefit liability

Management estimates the defined benefit liability annually with the assistance of independent actuaries, however, the actual outcome may vary due to estimation uncertainties. The estimate is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations. The defined benefit liability of the Group at the reporting date is disclosed in Note 20.

##### Income taxes

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

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has provision for taxation of Nil (2020: RM23,505).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies

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

### (a) Basis of consolidation

#### (i) Subsidiary companies

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

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

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

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

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (a) Basis of consolidation (Cont'd)

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

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

- (iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

- (iv) Goodwill on consolidation

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

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

### (b) Foreign currency translation

- (i) Foreign currency transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operations, as appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (b) Foreign currency translation (Cont'd)

#### (i) Foreign currency transactions and balances (Cont'd)

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

#### (ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

### (c) Property, plant and equipment

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

#### (i) Recognition and measurement

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

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

#### (i) Recognition and measurement (Cont'd)

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

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

#### (ii) Subsequent costs

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

#### (iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

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

Freehold buildings	10 – 50 years
Furniture and fittings	10 years
Computer system	5 years
Office equipment	4 – 8 years
Motor vehicles	4 – 8 years
Plant and machinery	4 – 8 years
Renovation	10 years

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

### (d) Leases

#### (i) As lessee

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (d) Leases (Cont'd)

#### (i) As lessee (Cont'd)

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

Leasehold land and buildings	Over the remaining lease period
Warehouse	3 years
Office equipment	4 years
Motor vehicle	8 years

The ROU assets are subject to impairment.

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

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

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

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

#### (ii) As lessor

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (e) Intangible assets

#### (i) Intangible assets acquired separately

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

#### (ii) Derecognition of intangible assets

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

See accounting policy Note 3(l)(i) to the financial statements on impairment of non-financial assets.

### (f) Financial assets

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

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

The Group and the Company determine the classification of its financial assets at initial recognition, and the categories include trade and other receivables, other investments measured at fair value through other comprehensive income, amount due from subsidiary companies and deposits, bank and cash balances.

#### (a) Financial assets at amortised cost

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (f) Financial assets (Cont'd)

#### (b) Financial assets at fair value through other comprehensive income

##### Debt instruments

A debt security is measured at fair value through other comprehensive income ("FVTOCI") if it meets both of the following conditions and is not designated as at FVTPL:

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

##### Equity instruments

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

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

#### (c) Financial assets at fair value through profit or loss

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (f) Financial assets (Cont'd)

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

### (g) Financial liabilities

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

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

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

### (h) Offsetting of financial instruments

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

### (i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

### (j) Inventories

Merchandise and trading goods are stated at the lower of cost and net realisable value.

Cost of merchandise and trading goods comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis.

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (k) Cash and cash equivalents

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

### (l) Impairment of assets

#### (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

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

#### (ii) Financial assets

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (m) Share capital

#### (i) Ordinary shares

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

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

#### (ii) Treasury shares

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

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

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

### (n) Provisions

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (o) Employee benefits

#### (i) Short-term employee benefits

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

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

#### (ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

#### (iii) Defined benefits plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan is an approved fund independent of the Group's finances and defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of reporting period.

The defined benefit obligation, calculated annually using the Projected Unit Credit Method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at statements of financial position date of Government securities which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent period.

Past-service costs are recognised immediately in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when settlement occurs.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (p) Revenue recognition

#### (i) Revenue from contracts with customers

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

The Group recognises revenue from the following major sources:

#### (a) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

#### (b) Rendering of services

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

#### (ii) Dividend income

Dividend income is recognised when the Group’s right to receive payment is established.

#### (iii) Interest income

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

### (q) Borrowing costs

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (r) Income taxes

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

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

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

### (s) Segments reporting

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

### (t) 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 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 3. Significant Accounting Policies (Cont'd)

### (u) Fair value measurement

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

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

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

Level 3: Unobservable inputs for the asset or liability.

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

# NOTES TO THE FINANCIAL STATEMENTS

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## 4. Property, Plant and Equipment

Group 2021	Freehold land RM	Freehold buildings RM	Furniture and fittings RM	Computer system RM	Office equipment RM	Motor vehicles, plant and machinery RM	Work in progress RM	Renovation RM	Total RM
<b>Cost</b>									
At 1 January	2,400,000	1,029,000	26,810	1,271,160	465,251	342,757	-	1,906,799	7,441,777
Additions	-	-	-	13,207	6,052	-	1,011	9,079	29,349
Written off	-	-	(10,110)	(524,166)	(7,716)	-	-	(450,000)	(991,992)
Reclassified from ROU	-	-	-	-	-	94,309	-	-	94,309
Foreign currency translation differences	-	-	-	-	7,585	2,145	-	616	10,346
At 31 December	2,400,000	1,029,000	16,700	760,201	471,172	439,211	1,011	1,466,494	6,583,789
<b>Accumulated depreciation</b>									
At 1 January	-	74,415	15,806	1,259,641	335,035	342,350	-	810,901	2,838,148
Charge for the financial year	-	33,380	2,345	8,865	69,120	12,358	-	130,093	256,161
Written off	-	-	(6,289)	(524,166)	(7,494)	-	-	(450,000)	(987,949)
Reclassified from ROU	-	-	-	-	-	25,542	-	-	25,542
Foreign currency translation differences	-	-	-	-	5,727	789	-	75	6,591
At 31 December	-	107,795	11,862	744,340	402,388	381,039	-	491,069	2,138,493
<b>Carrying amount</b>									
At 31 December	2,400,000	921,205	4,838	15,861	68,784	58,172	1,011	975,425	4,445,296

## NOTES TO THE FINANCIAL STATEMENTS

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

Group 2020	Freehold land RM	Freehold buildings RM	Furniture and fittings RM	Computer system RM	Office equipment RM	Motor vehicles, plant and machinery RM	Work in progress RM	Renovation RM	Total RM
<b>Cost</b>									
At 1 January	2,400,000	1,029,000	25,400	1,269,019	436,953	342,782	-	1,815,008	7,318,162
Additions	-	-	1,410	2,141	38,836	-	-	92,715	135,102
Foreign currency translation differences	-	-	-	-	(10,538)	(25)	-	(924)	(11,487)
At 31 December	2,400,000	1,029,000	26,810	1,271,160	465,251	342,757	-	1,906,799	7,441,777
<b>Accumulated depreciation</b>									
At 1 January	-	41,035	13,200	1,249,695	268,277	320,379	-	629,900	2,522,486
Charge for the financial year	-	33,380	2,606	9,946	73,280	21,996	-	181,061	322,269
Foreign currency translation differences	-	-	-	-	(6,522)	(25)	-	(60)	(6,607)
At 31 December	-	74,415	15,806	1,259,641	335,035	342,350	-	810,901	2,838,148
<b>Carrying amount</b>									
At 31 December	2,400,000	954,585	11,004	11,519	130,216	407	-	1,095,898	4,603,629

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

Company 2021	Computer system RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Total RM
<b>Cost</b>						
At 1 January	1,202,010	960	12,889	249,950	600,000	2,065,809
Additions	1,649	-	-	-	-	1,649
Written Off	(515,026)	-	-	-	(450,000)	(965,026)
At 31 December	688,633	960	12,889	249,950	150,000	1,102,432
<b>Accumulated depreciation</b>						
At 1 January	1,202,010	47	12,422	249,950	600,000	2,064,429
Charge for the financial year	275	96	160	-	-	531
Written Off	(515,026)	-	-	-	(450,000)	(965,026)
At 31 December	687,259	143	12,582	249,950	150,000	1,099,934
<b>Carrying amount</b>						
At 31 December	1,374	817	307	-	-	2,498

## NOTES TO THE FINANCIAL STATEMENTS

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

Company 2020	Computer system RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Total RM
<b>Cost</b>						
At 1 January	1,202,010	-	12,889	249,950	600,000	2,064,849
Additions	-	960	-	-	-	960
At 31 December	1,202,010	960	12,889	249,950	600,000	2,065,809
<b>Accumulated depreciation</b>						
At 1 January	1,202,010	-	12,262	229,093	545,001	1,988,366
Charge for the financial year	-	47	160	20,857	54,999	76,063
At 31 December	1,202,010	47	12,422	249,950	600,000	2,064,429
<b>Carrying amount</b>						
At 31 December	-	913	467	-	-	1,380

# NOTES TO THE FINANCIAL STATEMENTS

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

Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 18 are:

	Group	
	2021 RM	2020 RM
Freehold land	2,400,000	2,400,000
Freehold building	921,205	954,585
	3,321,205	3,354,585

## 5. Right-of-Use Assets

Group 2021	Leasehold land and building RM	Office equipment and motor vehicle RM	Warehouse RM	Total RM
<b>Cost</b>				
At 1 January	1,777,821	134,092	-	1,911,913
Reclassified to Property, plant and equipment	-	(94,309)	-	(94,309)
Foreign currency translation differences	36,000	-	-	36,000
At 31 December	1,813,821	39,783	-	1,853,604
<b>Accumulated depreciation</b>				
At 1 January	312,473	46,298	-	358,771
Charge for the financial year	86,976	10,379	-	97,355
Reclassified to Property, plant and equipment	-	(25,542)	-	(25,542)
Foreign currency translation differences	5,883	-	-	5,883
At 31 December	405,332	31,135	-	436,467
<b>Carrying amount</b>				
At 31 December	1,408,489	8,648	-	1,417,137

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 5. Right-of-Use Assets (Cont'd)

Group 2020	Leasehold land and building RM	Office equipment and motor vehicle RM	Warehouse RM	Total RM
<b>Cost</b>				
At 1 January	1,831,821	137,059	94,978	2,063,858
Lease modifications	-	-	(94,978)	(94,978)
Foreign currency translation differences	(54,000)	(2,967)	-	(56,967)
At 31 December	1,777,821	134,092	-	1,911,913
<b>Accumulated depreciation</b>				
At 1 January	231,859	24,563	18,468	274,890
Charge for the financial year	86,780	22,301	31,659	140,740
Lease modifications	-	-	(50,127)	(50,127)
Foreign currency translation differences	(6,166)	(566)	-	(6,732)
At 31 December	312,473	46,298	-	358,771
<b>Carrying amount</b>				
At 31 December	1,465,348	87,794	-	1,553,142

Company	Warehouse	
	2021 RM	2020 RM
<b>Cost</b>		
At 1 January	-	94,978
Lease modifications	-	(94,978)
At 31 December	-	-
<b>Accumulated depreciation</b>		
At 1 January	-	18,468
Charge for the financial year	-	31,659
Lease modifications	-	(50,127)
At 31 December	-	-
<b>Carrying amount</b>		
At 31 December	-	-

The reclassification to property, plant and equipment represents assets that had been previously used under lease arrangement and were purchased by the Group at the end of the lease term, now used as own property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 6. Intangible Assets

	Group	
	2021 RM	2020 RM
<b>Computer software</b>		
<b>Cost</b>		
At 1 January	46,481	13,000
Additions	74,014	36,255
Foreign currency translation differences	975	(2,774)
At 31 December	121,470	46,481
<b>Accumulated amortisation</b>		
At 1 January	9,660	6,194
Amortisation for the financial year	11,353	6,033
Foreign currency translation differences	285	(2,567)
At 31 December	21,298	9,660
<b>Carrying amount</b>		
At 31 December	100,172	36,821

The cost of computer software acquired, including all directly attributable costs of preparing the assets for their intended use, is amortised on a straight-line basis over the estimated useful life of 4 years (2020: 4 years).

## 7. Investments in Subsidiary Companies

	Company	
	2021 RM	2020 RM
<b>In Malaysia:</b>		
<b>At cost</b>		
Unquoted shares	3,888,422	3,888,422
Less: Accumulated impairment losses	(3,888,421)	(3,888,421)
	1	1
<b>Outside Malaysia:</b>		
<b>At cost</b>		
Unquoted shares	871,610	871,610
Less: Accumulated impairment losses	(329,917)	(329,917)
	541,693	541,693
	541,694	541,694



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 7. Investments in Subsidiary Companies (Cont'd)

Movements in the allowance for impairment losses of investments in subsidiary companies is as follows:

	Company	
	2021 RM	2020 RM
At 1 January	4,218,338	3,888,421
Impairment loss recognised	-	329,917
At 31 December	4,218,338	4,218,338

During the financial year, the Company carried out a review of the recoverable amounts of certain subsidiary companies. An impairment loss on the investments amounting to Nil (2020: RM329,917) was recognised in the statements of profit or loss and other comprehensive income.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2021	2020	
Angkara Setia Development Sdn. Bhd.	Malaysia	100	100	Providing outsourced procurement and fulfilment services through local suppliers and mail order programmes, including warehousing and distribution services
PT CLS System*	Indonesia	100	100	Providing integrated solutions in the management of customer loyalty services
Advanced Supply Chain Solutions Sdn. Bhd.	Malaysia	100	100	Providing outsourced procurement and fulfilment services through local suppliers and mail order programmes, including warehousing and distribution services. The Company has ceased its business operations and remain dormant.

\* Subsidiary company audited by a member firm of UHY in Indonesia

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 8. Other Investments

	Group and Company	
	2021 RM	2020 RM
<b>At fair value</b>		
<b>Financial assets measured at fair value through other comprehensive income</b>		
Quoted shares in Malaysia	3,437,616	9,184,622
<b>At cost</b>		
Golf club membership	45,000	45,000
	3,482,616	9,229,622
Market value of quoted shares	3,437,616	9,184,622

The fair value of the listed equity securities was determined by reference to the quoted price in an active market.

## 9. Deferred Tax Assets

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	82,087	41,993	-	-
Recognised in profit or loss	25,553	25,983	-	-
Recognised in other comprehensive income	(38,150)	14,585	-	-
Effect of changes in exchange rates	1,374	(474)	-	-
At 31 December	70,864	82,087	-	-

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets	81,526	91,479	599	331
Deferred tax liabilities	(10,662)	(9,392)	(599)	(331)
	70,864	82,087	-	-

## NOTES TO THE FINANCIAL STATEMENTS

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## 9. Deferred Tax Assets (Cont'd)

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

Group	Unabsorbed capital allowances RM	Others RM	Total RM
<b>Deferred tax assets</b>			
<b>2021</b>			
At 1 January	9,392	82,087	91,479
Recognised in profit or loss	1,270	25,553	26,823
Recognised in other comprehensive income	-	(38,150)	(38,150)
Effect of changes in exchange rates	-	1,374	1,374
At 31 December	10,662	70,864	81,526
<b>2020</b>			
At 1 January	7,939	41,993	49,932
Recognised in profit or loss	1,453	25,983	27,436
Recognised in other comprehensive income	-	14,585	14,585
Effect of changes in exchange rates	-	(474)	(474)
At 31 December	9,392	82,087	91,479

	Group	
	2021 RM	2020 RM
<b>Deferred tax liabilities</b>		
<b>Accelerated capital allowances</b>		
At 1 January	(9,392)	(7,939)
Recognised in profit or loss	(1,270)	(1,453)
At 31 December	(10,662)	(9,392)

	Company	
	2021 RM	2020 RM
<b>Deferred tax assets</b>		
<b>Unabsorbed capital allowances</b>		
At 1 January	331	6,654
Recognised in profit or loss	599	(6,323)
At 31 December	930	331
<b>Deferred tax liabilities</b>		
<b>Accelerated capital allowances</b>		
At 1 January	(331)	(6,654)
Recognised in profit or loss	(599)	6,323
At 31 December	(930)	(331)

# NOTES TO THE FINANCIAL STATEMENTS

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## 9. Deferred Tax Assets (Cont'd)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unabsorbed capital allowances	605,884	580,595	519,277	520,395
Unused tax losses	8,623,391	8,364,009	2,727,433	2,727,433
	9,229,275	8,944,604	3,246,710	3,247,828

With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

The foreign unused tax losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary company are subject to the tax legislation of the country.

## 10. Amount Due from Subsidiary Companies

	Company	
	2021 RM	2020 RM
<b>Amount due from subsidiary companies</b>		
<b>Non-Current</b>		
<u>Non-trade related</u>		
Non-interest bearing	4,018,736	3,936,160
Less: Accumulated impairment losses	(2,835,194)	(2,835,194)
	1,183,542	1,100,966
<b>Current</b>		
<u>Trade related</u>		
Non-interest bearing	780,000	780,000
<u>Non-trade related</u>		
Non-interest bearing	6,446,961	6,339,685
	7,226,961	7,119,685
Less: Accumulated impairment losses	(7,119,685)	(7,119,685)
	107,276	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 10. Amount Due From Subsidiary Companies (Cont'd)

Movements in the allowance for impairment losses of amount due from subsidiary companies is as follows:

	Company	
	2021 RM	2020 RM
At 1 January	9,954,879	8,859,305
Impairment loss recognised	-	1,115,574
Impairment loss reversed	-	(20,000)
At 31 December	9,954,879	9,954,879

During the financial year, the Company carried out a review of the recoverable amounts of certain subsidiary companies. An impairment loss on the amount due from subsidiaries companies amounting to Nil (2020: RM1,115,574) was recognised in the in statements of profit or loss and other comprehensive income.

### Non-Current

These represent unsecured, non-interest-bearing advances and repayable after twelve months.

### Current

These represent unsecured, non-interest-bearing advances and repayable on demand.

## 11. Inventories

	Group	
	2021 RM	2020 RM
Merchandise and trading goods	97,532	599,061
<b>Recognised in profit or loss:</b>		
Inventories recognise as cost of sales	5,998,941	8,966,634

## 12. Trade Receivables

	Group	
	2021 RM	2020 RM
Trade receivables	838,749	2,102,642
Less: Accumulated impairment losses	(2,179)	(2,134)
	836,570	2,100,508

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. Trade Receivables (Cont'd)

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

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2021 RM	2020 RM
At 1 January	2,134	2,201
Foreign currency translation differences	45	(67)
At 31 December	2,179	2,134

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

The aged analysis of trade receivables as at the end of the reporting period:

	Group	
	2021 RM	2020 RM
Not past due	722,127	951,994
Past due:		
Less than 30 days	55,719	729,901
31 to 60 days	26,779	308,521
61 to 90 days	34,124	112,226
	116,622	1,150,648
Gross amount	838,749	2,102,642
Loss allowance, individual impaired	(2,179)	(2,134)
Net amount	836,570	2,100,508

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2021, trade receivables of RM114,442 (2020: RM1,148,514) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM2,179 (2020: RM2,134), relate to customers that are in financial difficulties, have defaulted on payments and/or has disputed on the billings. These balances are expected to be recovered through the debts recovery process.

# NOTES TO THE FINANCIAL STATEMENTS

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## 13. Other Receivables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	7,808	18,493	3,778	3,777
Refundable deposits	20,665	20,665	6,340	6,340
Prepayments	161,655	102,213	100,000	530
	190,128	141,371	110,118	10,647

## 14. Deposits, Bank and Cash Balances

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	2,765,389	355,389	1,497,626	101,824
Fixed deposits with licensed banks	1,309,437	3,614,062	1,309,437	3,013,462
	4,074,826	3,969,451	2,807,063	3,115,286
Less: Deposits with tenures of more than 3 months	(1,309,437)	(2,510,486)	(1,309,437)	(2,510,486)
	2,765,389	1,458,965	1,497,626	604,800

The effective interest rates and maturities of fixed deposits of the Group and of the Company ranged from 2.00% to 2.05% (2020: 1.90% to 7.50%) and 2.00% to 2.05% (2020: 1.90% to 3.75%) and 1 to 12 months (2020: 1 to 12 months) respectively.

## 15. Share Capital

	Group and Company			
	Number of Ordinary Shares		Amount	
	2021 Units	2020 Units	2021 RM	2020 RM
Ordinary shares with no par value				
<b>Issued and fully paid:</b>				
At 1 January/31 December	266,058,666	266,058,666	28,051,999	28,051,999

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 26 June 2020, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

The total number of treasury shares held by the Company as at 31 December 2021 was Nil (2020: 24,090,500).

There were no shares bought back during the current and previous financial year. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 in Malaysia.

During the year, the company disposed of all its 24,090,500 units of treasury shares for a total net consideration of RM3,587,844 (after deducting transaction costs) in the open market of an average price of RM0.15 per share.

As at 31 December 2021, the number of the Company's shares in issue after deducting treasury shares is 266,058,666 (2020: 241,968,166) ordinary shares.

## 17. Reserves

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Non-distributable</b>					
Fair value reserve	(a)	(1,409,522)	4,264,361	(1,409,522)	4,264,361
Foreign currency translation reserve	(b)	(724,373)	(796,108)	-	-
<b>Distributable</b>					
Accumulated losses		(13,391,255)	(7,894,964)	(17,784,629)	(14,341,834)
		(15,525,150)	(4,426,711)	(19,194,151)	(10,077,473)

The nature of reserves of the Group and of the Company is as follows:

(a) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of investment in securities measured at FVTOCI until they are derecognised or impaired.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.



# NOTES TO THE FINANCIAL STATEMENTS

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## 18. Loans and Borrowings

	Group	
	2021 RM	2020 RM
<b>Secured</b>		
Term loan	2,204,131	1,563,741
<b>Non-current</b>		
Term loan	1,482,250	1,524,942
<b>Current</b>		
Term loan	721,881	38,799
	2,204,131	1,563,741

The term loan is secured by the following:

- (i) Legal charge over the freehold land and building of the Group as disclosed in Note 4.
- (ii) Corporate guarantee by the Company.

The average effective interest rates per annum are as follows:

	Group	
	2021 %	2020 %
Term loan	5.6	5.6

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. Lease Liabilities

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	35,240	143,447	-	77,369
Lease modifications	-	(46,235)	-	(46,235)
Payments	(26,324)	(60,862)	-	(31,134)
Foreign exchange translation differences	-	(1,110)	-	-
At 31 December	8,916	35,240	-	-
Represented by:				
Non-current	-	8,916	-	-
Current	8,916	26,324	-	-
	8,916	35,240	-	-

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

	Group	
	2021 RM	2020 RM
Within one year	9,000	27,250
Later than one year and not later than two years	-	9,000
	9,000	36,250
Less: Future finance charges	(84)	(1,010)
Present value of lease liabilities	8,916	35,240

The Group leases various building and equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

## 20. Employee Benefits

	Group	
	2021 RM	2020 RM
<b>Retirement benefits plans</b>		
Present value of unfunded defined benefit obligations	266,405	317,416

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 20. Employee Benefits (Cont'd)

The Group recognises liabilities for employee benefits in respect of its overseas subsidiary company, PT CLS System in accordance with the Indonesian Labour Law No. 13 Year 2003 dated 25 March 2003 ("Labour Law"). Under this Labour Law, the employee benefits are payable upon dismissal of employees.

The movements in the present value of defined benefits obligations is as follows:

	Group	
	2021 RM	2020 RM
At 1 January	317,416	224,765
Recognised in profit or loss:	117,746	81,189
Benefits paid by the plan	(1,595)	(46,839)
Remeasurement recognised in other comprehensive income:		
- Effects of changes in financial assumptions	(173,410)	65,392
- Foreign exchange translation differences	6,248	(7,091)
At 31 December	266,405	317,416

### Actuarial assumptions

The principal actuarial assumptions at the end of the reporting period are as follows:

	Group	
	2021 %	2020 %
Discount rate	7.55	7.55
Future average salary increases	5.00	9.00

### Sensitivity analysis

The effect of changes in the principal actuarial assumptions on the present value of unfunded obligations as at 31 December 2021 are as follows:

	Group	
	+1% RM	-1% RM
Increase/(Decrease)of present value of the unfunded obligations		
- Discount rate	(26,363)	30,678
- Expected salary	33,698	(29,230)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. Trade Payables

	Group	
	2021 RM	2020 RM
Trade payables	222,999	545,285

Credit terms of trade payables of the Group ranged from 30 to 60 days (2020: 30 to 60 days) depending on the terms of the contracts.

## 22. Other Payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	317,743	112,184	268,591	3,022
Accruals	192,470	150,877	110,762	79,891
	510,213	263,061	379,353	82,913

## 23. Revenue

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Revenue form contracts with customers:</b>				
Sales and services under customer loyalty programme	7,751,671	10,851,054	-	-
<b>Timing of revenue recognition:</b>				
At a point in time/Total revenue from contracts with customers	7,751,671	10,851,054	-	-

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

	2021 RM	2020 RM
<b>Managed customer loyalty services</b>		
<b>Geographical market:</b>		
Malaysia	1,088,664	1,282,105
Indonesia	6,663,007	9,568,949
Total revenue from contracts with customers	7,751,671	10,851,054

## NOTES TO THE FINANCIAL STATEMENTS

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**24. Finance costs**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Interest expenses on:</b>				
Lease liabilities	11,624	5,501	-	2,466
Term loan	79,768	94,324	-	-
	91,392	99,825	-	2,466

**25. Loss Before Tax**

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration:				
- statutory audits				
- UHY	59,000	62,000	50,000	50,000
- member firms of UHY International	24,063	25,195	-	-
- non-audit services	5,000	5,000	5,000	5,000
Amortisation of intangible assets	11,353	6,033	-	-
Defined benefit obligations	117,746	81,189	-	-
Depreciation of:				
- property, plant and equipment	256,161	322,269	531	76,063
- right-of-use assets	97,355	140,740	-	31,659
Loss on derecognition of other investment	73,124	-	73,124	-
Gain on modification of lease contracts	-	(1,384)	-	(1,384)
Lease expenses relating to short-term leases				
- car park	5,781	5,214	2,717	2,497
- motor vehicle	-	54,000	-	-
- office equipment	12,019	1,896	-	-
- premises	7,670	64,035	-	-
Foreign exchange (gain)/loss:				
- realised	-	-	-	-
- unrealised	(118)	61	(82,577)	123,865
Gain on disposal of				
- investment in quoted shares	-	(62,191)	-	(62,191)
Dividend from money market fund	(2,394)	-	(2,394)	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest income	(666)	-	(666)	-
Interest income from fixed deposits with licensed banks	(39,898)	(195,290)	(39,898)	(131,918)
Non-executive Directors' remunerations				
- fees	189,623	180,000	189,623	180,000
- other benefits	44,000	19,000	44,000	19,000
Net (gain)/loss on impairment of financial instruments:				
- impairment loss on amount due from subsidiary companies	-	-	-	1,115,574
- reversal of impairment loss on amount due from subsidiary companies	-	-	-	(20,000)
	-	-	-	1,095,574
Impairment loss on investments in subsidiary companies	-	-	-	329,917
Property, plant and equipment written off	4,043	-	-	-

## 26. Taxation

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Tax expense recognised in profit or loss</b>				
Current tax	-	-	-	-
Deferred tax (Note 9)				
- Origination and reversal of temporary differences	(25,553)	(25,983)	-	-
	(25,553)	(25,983)	-	-
<b>Income tax relating to items of other comprehensive income that will not be reclassified to profit or loss</b>				
Income tax relating to gain on remeasurement of defined benefit liability	38,150	(14,585)	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to loss before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before tax	(5,187,104)	(3,821,203)	(2,972,795)	(3,339,011)
At Malaysian statutory tax rate of 24% (2020: 24%)	(1,244,905)	(917,089)	(713,471)	(801,363)
Effects of different tax rates in other jurisdictions	(31,180)	(15,157)	-	-
	(1,276,085)	(932,246)	(713,471)	(801,363)
Expenses not deductible for tax purposes	1,208,650	925,886	740,164	849,804
Income not subject to tax	(26,425)	(54,895)	(26,425)	(54,895)
Utilisation of previously unrecognised deferred tax assets	-	-	(268)	-
Deferred tax assets not recognised	68,307	35,272	-	6,454
	(25,553)	(25,983)	-	-

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unabsorbed capital allowances	172,962	619,728	-	521,774
Unused tax losses	8,623,391	8,364,069	2,727,433	2,727,433
	8,796,353	8,983,797	2,727,433	3,249,207

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation.

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. Taxation (Cont'd)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax losses to be carried forward until year of assessment:				
- 2025	-	7,664,201	-	2,727,433
- 2026	-	493,920	-	-
- 2027	-	205,943	-	-
- 2028	7,664,206	-	2,727,433	-
- 2029	493,920	-	-	-
- 2030	205,943	-	-	-
- 2031	259,322	-	-	-
	8,623,391	8,364,069	2,727,433	2,727,433

## 27. Loss Per Share

### (a) Basic loss per shares

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of shares in issue during the financial year. The weighted average number of shares in issue excludes the weighted average number of treasury shares held by the Company.

	Group	
	2021 RM	2020 RM
Loss attributable to owners of the parent	(5,161,551)	(3,795,220)
Weighted average number of ordinary shares in issue (Units)		
Issued ordinary shares at 1 January	266,058,666	266,058,666
Less: Treasury shares	-	(24,090,500)
Weighted average number of ordinary shares at 31 December	266,058,666	241,968,166
Basic loss per share (sen)	(1.94)	(1.57)

### (b) Diluted loss per share

The diluted loss per shares of the Group is equal to the basic loss per share as the Group does not have any dilutive potential ordinary shares in issue.



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**28. Staff Costs**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, wages and other emoluments	2,670,034	2,804,320	854,855	641,565
Defined contribution plans	141,437	133,145	74,883	66,493
Social security contributions	64,962	77,483	4,382	4,132
Other benefits	58,924	55,063	16,546	11,172
Defined benefit obligations	117,746	81,189	-	-
	3,053,103	3,151,200	950,666	723,362

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Directors of the Company</b>				
Salaries and other emoluments	269,465	95,215	227,852	95,215
Defined contribution plans	21,974	12,481	16,970	12,481
Social security contributions	1,624	922	1,417	922
	293,063	108,618	246,239	108,618
<b>Directors of the subsidiary companies</b>				
Salaries and other emoluments	243,643	216,932	-	-
	536,706	325,550	246,239	108,618

**29. Financial Guarantee**

	Company	
	2021 RM	2020 RM
<b>Unsecured</b>		
Corporate guarantee given to financial institutions for banking facilities granted to subsidiary companies		
- Limit of guarantees	1,600,000	1,600,000
- Amount utilised	1,548,007	1,563,741

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. Reconciliation of Liabilities Arising from Financing Activities

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

	Non-cash changes				At 31 December RM
	At 1 January RM	Foreign exchange adjustments RM	Lease modification RM	Financing cash flows RM	
<b>Group</b>					
<b>2021</b>					
Lease liabilities	35,240	-	-	(26,324)	8,916
Term loan	1,563,741	-	-	640,390	2,204,131
	1,598,981	-	-	614,066	2,213,047
<b>2020</b>					
Lease liabilities	143,447	(1,110)	(46,235)	(60,862)	35,240
Term loan	1,588,964	-	-	(25,223)	1,563,741
	1,732,411	(1,110)	(46,235)	(86,085)	1,598,981
<b>Company</b>					
<b>2021</b>					
Lease liabilities	-	-	-	-	-
<b>2020</b>					
Lease liabilities	77,369	-	(46,235)	(31,134)	-

## 31. Related Party Disclosures

### (a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

# NOTES TO THE FINANCIAL STATEMENTS

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## 31. Related Party Disclosures (Cont'd)

### (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(i) Transactions with a former Director of corporate shareholder				
- Rental of motor vehicle	-	54,000	-	-

### (c) Compensation of key management personnel

Remuneration of Directors and other member of key management are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries and other emoluments	387,626	511,147	346,013	294,215
Defined contribution plans	42,318	12,481	37,314	12,481
Social security contributions	1,491	922	1,260	922
	431,435	524,550	384,587	307,618

## 32. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

Managed customer loyalty services	<ul style="list-style-type: none"> <li>• Sales and marketing services.</li> <li>• Client relationship management.</li> <li>• Outsourced contact centre management.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Outsourced procurement services, investment holding and corporate level activities.</li> </ul>

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

# NOTES TO THE FINANCIAL STATEMENTS

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## 32. Segment Information (Cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

### (a) Business segment

2021	Managed customer loyalty services RM	Others RM	Consolidated RM
<b>Revenue</b>			
Total revenue - external customers	7,751,671	-	7,751,671
<b>Results</b>			
Segment results	(2,027,863)	(3,114,269)	(5,142,132)
Finance income	5,856	40,564	46,420
Finance cost	(91,392)	-	(91,392)
Loss before tax	(2,113,399)	(3,073,705)	(5,187,104)
Taxation	25,553	-	25,553
Loss for the financial year	(2,087,846)	(3,073,705)	(5,161,551)
<b>Assets and liabilities</b>			
Segment assets	8,328,419	7,411,094	15,739,513
Included in the measurement of segment assets are:			
Capital expenditure relating to:			
- property, plant and equipment	27,700	1,649	29,349
- intangible assets	74,014	-	74,014
Segment liabilities	2,829,580	383,084	3,212,664
<b>Other information</b>			
Amortisation of intangible assets	11,353	-	11,353
Defined benefit obligations	117,746	-	117,746
Depreciation of:			
- property, plant and equipment	246,246	9,915	256,161
- right-of-use assets	97,355	-	97,355
Property, plant and equipment written off	-	4,043	4,043
Unrealised gain on foreign exchange	(118)	-	(118)

## NOTES TO THE FINANCIAL STATEMENTS

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**32. Segment Information (Cont'd)**

(a) Business segment (Cont'd)

2020	Managed customer loyalty services RM	Others RM	Consolidated RM
<b>Revenue</b>			
Total revenue - external customers	10,851,054	-	10,851,054
<b>Results</b>			
Segment results	(1,974,614)	(1,942,054)	(3,916,668)
Finance income	63,372	131,918	195,290
Finance cost	(97,359)	(2,466)	(99,825)
Loss before tax	(2,008,601)	(1,812,602)	(3,821,203)
Taxation	25,983	-	25,983
Loss for the financial year	(1,982,618)	(1,812,602)	(3,795,220)
<b>Assets and liabilities</b>			
Segment assets	9,929,750	12,385,942	22,315,692
Included in the measurement of segment assets are:			
Capital expenditure relating to:			
- property, plant and equipment	134,142	960	135,102
- intangible assets	36,255	-	36,255
Segment liabilities	2,657,335	90,913	2,748,248
<b>Other information</b>			
Amortisation of intangible assets	6,033	-	6,033
Defined benefit obligations	81,189	-	81,189
Depreciation of:			
- property, plant and equipment	233,157	76,063	309,220
- right-of-use assets	109,081	31,659	140,740
Gain on modification of lease contracts	-	(1,384)	(1,384)
Gain on disposal of investment in quoted shares	-	(62,191)	(62,191)

# NOTES TO THE FINANCIAL STATEMENTS

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## 32. Segment Information (Cont'd)

### (b) Geographical information

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

	Revenue		Non-current assets	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia	1,088,664	1,282,105	4,312,988	4,485,743
Indonesia	6,663,007	9,568,949	1,649,616	1,707,849
	7,751,671	10,851,054	5,962,604	6,193,592

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

### (c) Major customers

Revenue from transactions with major customers who individually accounted for 10 percent or more of Group's revenue are summarised below:

	Revenue		Segment
	2021 RM	2020 RM	
Customer A	1,265,052	1,771,052	Managed customer loyalty services
Customer B	953,382	1,343,844	Managed customer loyalty services
Customer C	835,778	-	Managed customer loyalty services

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. Financial Instruments

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost RM	At FVTPL RM	At FVTOCI RM	Total RM
<b>2021</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	-	-	3,437,616	3,437,616
Trade receivables	836,570	-	-	836,570
Other receivables	28,473	-	-	28,473
Deposits, bank and cash balances	4,074,826	-	-	4,074,826
Liquid investment	-	1,002,394	-	1,002,394
	4,939,869	1,002,394	3,437,616	9,379,879
<b>Financial assets</b>				
<b>Company</b>				
Other investments	-	-	3,437,616	3,437,616
Other receivables	10,118	-	-	10,118
Amount due from subsidiary companies	1,290,818	-	-	1,290,818
Deposits, bank and cash balances	2,807,063	-	-	2,807,063
Liquid investment	-	1,002,394	-	1,002,394
	4,107,999	1,002,394	3,437,616	8,548,009
<b>2021</b>				
<b>Financial liabilities</b>				
<b>Group</b>				
Loans and borrowings	2,204,131	-	-	2,204,131
Lease liabilities	8,916	-	-	8,916
Trade payables	222,999	-	-	222,999
Other payables	510,213	-	-	510,213
	2,946,259	-	-	2,946,259
<b>Company</b>				
Other payables	379,353	-	-	379,353

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 33. Financial Instruments (Cont'd)

### (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At amortised cost RM	At FVTOCI RM	Total RM
<b>2020</b>			
<b>Financial assets</b>			
<b>Group</b>			
Other investments	-	9,184,622	9,184,622
Trade receivables	2,100,508	-	2,100,508
Other receivables	39,158	-	39,158
Deposits, bank and cash balances	3,969,451	-	3,969,451
	6,109,117	9,184,622	15,293,739
<b>Company</b>			
Other investments	-	9,184,622	9,184,622
Other receivables	10,117	-	10,117
Amount due from subsidiary companies	1,100,966	-	1,100,966
Deposits, bank and cash balances	3,115,286	-	3,115,286
	4,226,369	9,184,622	13,410,991
<b>2020</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	1,563,741	-	1,563,741
Lease liabilities	35,240	-	35,240
Trade payables	545,285	-	545,285
Other payables	263,061	-	263,061
	2,407,327	-	2,407,327
<b>Company</b>			
Other payables	82,913	-	82,913



# NOTES TO THE FINANCIAL STATEMENTS

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## 33. Financial Instruments (Cont'd)

### (b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies. There are no significant changes as compared to previous financial year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

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

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM1,548,007 (2020: RM1,563,741), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

#### Credit risk concentration

As at the end of the financial year, the Group had 4 customers (2020: 3 customers) that owed and accounted for approximately 80% (2020: 65%) of all the receivables outstanding. The Company has no significant concentration of credit risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 33. Financial Instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>2021</b>						
<u>Non-derivative financial liabilities</u>						
Term loan	807,026	156,588	469,764	1,501,731	2,935,109	2,204,131
Lease liabilities	9,000	-	-	-	9,000	8,916
Trade payables	222,999	-	-	-	222,999	222,999
Other payables	510,213	-	-	-	510,213	510,213
	1,549,238	156,588	469,764	1,501,731	3,677,321	2,946,259
<b>2020</b>						
<u>Non-derivative financial liabilities</u>						
Term loan	156,588	156,588	469,764	1,580,503	2,363,443	1,563,741
Lease liabilities	27,250	9,000	-	-	36,250	35,240
Trade payables	545,285	-	-	-	545,285	545,285
Other payables	263,061	-	-	-	263,061	263,061
	992,184	165,588	469,764	1,580,503	3,208,039	2,407,327

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Company	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>2021</b>						
<u>Non-derivative financial liabilities</u>						
Other payables	379,353	-	-	-	379,353	379,353
Financial guarantee*	1,548,007	-	-	-	1,548,007	-
	1,927,360	-	-	-	1,927,360	379,353
<b>2020</b>						
<u>Non-derivative financial liabilities</u>						
Other payables	82,913	-	-	-	82,913	82,913
Financial guarantee*	1,563,741	-	-	-	1,563,741	-
	1,646,654	-	-	-	1,646,654	82,913

\* Being corporate guarantee granted for banking facilities of certain subsidiary companies which will only crystallise in the event of default by these company.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 33. Financial Instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (iii) Market risk

##### (a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD), Singapore Dollar (SGD), Japanese Yen (JPY) and Indonesia Rupiah (IDR).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Group	Denominated in			Total RM
	USD RM	SGD RM	JPY RM	
<b>2021</b>				
Deposits, bank and cash balances	2,750	20	23	2,793
<b>2020</b>				
Deposits, bank and cash balances	3,015	20	23	3,058

Company	Denominated in				Total RM
	USD RM	SGD RM	IDR RM	Others RM	
<b>2021</b>					
Deposits, bank and cash balances	-	20	-	23	43
Amount due from subsidiary companies	-	-	1,183,542	-	1,183,542
	-	20	1,183,542	23	1,183,585
<b>2020</b>					
Deposits, bank and cash balances	-	20	-	23	43
Amount due from subsidiary companies	-	-	1,100,966	-	1,100,966
	-	20	1,100,966	23	1,101,009

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 33. Financial Instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (iii) Market risk (Cont'd)

##### (a) Foreign currency risk (Cont'd)

##### Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's and of the Company's loss before tax to a reasonably possible change in the USD, SGD, JPY, IDR and others exchange rates against RM, with all other variables held constant.

	Change in currency rate RM	2021 Effect on loss before tax RM	2020 Effect on loss before tax RM
<b>Group</b>			
USD	Strengthened 5% (2020: 5%)	138	151
	Weakend 5% (2020: 5%)	(138)	(151)
SGD	Strengthened 5% (2020: 5%)	1	1
	Weakend 5% (2020: 5%)	(1)	(1)
JPY	Strengthened 5% (2020: 5%)	1	1
	Weakend 5% (2020: 5%)	(1)	(1)
<b>Company</b>			
SGD	Strengthened 5% (2020: 5%)	1	1
	Weakend 5% (2020: 5%)	(1)	(1)
IDR	Strengthened 5% (2020: 5%)	59,177	55,048
	Weakend 5% (2020: 5%)	(59,177)	(55,048)
Others	Strengthened 5% (2020: 5%)	1	1
	Weakend 5% (2020: 5%)	(1)	(1)

### (b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	2021 RM	2020 RM
<b>Group</b>		
<b>Fixed rate instruments</b>		
Financial assets	1,309,437	3,614,062
Financial liabilities	(8,916)	(35,240)
	1,300,521	3,578,822
<b>Floating rate instrument</b>		
Financial liabilities	(2,204,131)	(1,563,741)
<b>Company</b>		
<b>Fixed rate instruments</b>		
Financial assets	1,309,437	3,013,462

### Interest rate risk sensitivity analysis

#### Fair value sensitivity analysis for fixed instruments

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

#### Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM22,041 (2020: RM15,640), arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

**33. Financial Instruments (Cont'd)**

(c) Fair values of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
<b>2021</b>										
<b>Group</b>										
<b>Financial asset</b>										
Liquid Investment	1,002,394	-	-	1,002,394	-	-	-	-	1,002,394	1,002,394
Quoted shares	3,437,616	-	-	3,437,616	-	-	-	-	3,437,616	3,437,616
<b>Company</b>										
<b>Financial asset</b>										
Liquid Investment	1,002,394	-	-	1,002,394	-	-	-	-	1,002,394	1,002,394
Quoted shares	3,437,616	-	-	3,437,616	-	-	-	-	3,437,616	3,437,616
<b>2020</b>										
<b>Group</b>										
<b>Financial asset</b>										
Quoted shares	9,184,622	-	-	9,184,622	-	-	-	-	9,184,622	9,184,622
<b>Company</b>										
<b>Financial asset</b>										
Quoted shares	9,184,622	-	-	9,184,622	-	-	-	-	9,184,622	9,184,622

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 34. Capital Management

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy are to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loans and borrowings	2,204,131	1,563,741	-	-
Less: deposits, cash and bank balances	(4,074,826)	(3,969,451)	(2,807,063)	(3,115,286)
	(1,870,695)	(2,405,710)	(2,807,063)	(3,115,286)
Total equity	12,526,849	19,567,444	8,857,848	13,916,682
Gearing ratio	N/A*	N/A*	N/A*	N/A*

\* The gearing ratio is not applicable as the Group's and the Company's have sufficient deposits, cash and bank balances to settle the liabilities as at financial year end.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

## 35. Material Litigations

The Company had, on 20 January 2017, been served with a Writ (Kuala Lumpur High Court Suit No.: WA-22NCC-17-01/2017) issued by Customer Loyalty Solutions Sdn Bhd (in liquidation) ("the Plaintiff", hereby known as "CLS") claiming that the payment of RM6,524,652 from the Plaintiff to the Company are void or voidable. The Claim included two (2) other defendants i.e. a current and a former director of the Company to be jointly and severally liable to pay the Plaintiff the sum of RM6,524,652. On 7 July 2011, the Plaintiff was no longer a subsidiary of the Company.

The trial was concluded on 16 January 2019. The Court fixed 20 February 2019 for oral submissions and had fixed 4 March 2019 for further submissions. The Court had on 4 March 2019 heard further submissions by the Defendants and then fixed 10 May 2019 for further clarification/decision and it was then postponed to 30 September 2019 for decision.

On 30 September 2019, the Court dismissed the Plaintiff's claim against all the Defendants with costs of RM15,000 to each Defendant (subject to allocatur fee of 4%). On 29 October 2019, the Plaintiff filed a Notice of Appeal against the decision of the Kuala Lumpur High Court. The Court of Appeal had fixed the next case management on 24 May 2021 pending the grounds of judgment from the Kuala Lumpur High Court.

The Court of Appeal had fixed case management dates on 19 December 2019, 27 February 2020, 29 April 2020, 7 July 2020, 3 September 2020, 8 October 2020, 14 December 2020, 25 February 2021, 24 May 2021 and 25 August 2021.

The next case management date at the Court of Appeal is on 30 November 2021 pending the grounds of judgment from the Kuala Lumpur High Court.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 35. Material Litigations (Cont'd)

On 30 November 2021, the Court of Appeal has fixed the next Case Management date on 27 January 2022 pending the grounds of judgment from the Kuala Lumpur High Court.

On 7 December 2021, the Company issued a letter to Messrs BB Teh to terminate Messrs BB Teh's services.

On 13 December 2021, the Company appointed Messrs Terrence Lee & Co. and the Notice of Change of Solicitor dated 13 December 2021 was filed in Court accordingly.

On 27 January 2022, the Plaintiff's / Appellant's Solicitors informed the Court that the High Court grounds of judgement has not been provided. The Court of Appeal fixed 30 March 2022 for case management to update the Court of Appeal on the status of the ground of judgment.

On 30 March 2022, the Appellant's solicitors informed the Court that the High Court Grounds of Judgements has not been provided. The Court then fixed 31 May 2022 for case management to update the Court on the status of Grounds of Judgement.

## 36. Significant Events

### (a) Impact of COVID-19 Pandemic

The COVID-19 pandemic continued to evolve during the year despite the implementation of Movement Control Order ("MCO") 2.0 and MCO 3.0 imposed by the Malaysian Government.

Due to the implementation of MCO throughout the year, the business of the Group was adversely affected. Business interaction was limited and new business opportunities under the MCO environment where movement and business meetings were significantly curtailed. The Indonesian subsidiary's operations also continued to be bogged down with the pandemic.

Even though the vaccination programme had allowed the Standard Operating Procedures ("SOP") to be relaxed further and perhaps took the economic cycle closer to normalcy. However, the Group did not see much positive impact as despite the relaxing of SOP by the authorities, the business community were still cautious and did not wish a repeat of previous SOP relaxation incurred again. All the relevant financial impacts have been taken into account in current year's financial result of the Group and of the Company.

The Group and the Company will continuously monitor the impact of COVID-19 on their operations and their financial performance. The Group and the Company will also be taking appropriate and timely measures to minimise the potential impact of the outbreak on the Group's and the Company's operations.

### (b) Proposed private placement

On 22 March 2021, the Company has made announcement on its proposal for private placement of new ordinary shares in the Company of not more than 20% of the total number of issued shares (excluding any treasury shares) and later obtained a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 from the Company's shareholders on 27 May 2021 at an issue price to be determined and fixed at a future date. The 20% General Mandate as approved by Bursa Malaysia ("Bursa") shall continue to be in force until 31 December 2022. The Proposed Private Placement will be undertaken in accordance with the 20% General Mandate since AIM has yet to utilise the 20% General Mandate to allot and issue any new ordinary shares pursuant to the 20% General Mandate. The Company can issue up to 53,210,000 placement shares, representing not more than 20% of total issued 266,058,666 shares pursuant to the 20% General Mandate.

On 6 April 2022, the Company had obtained approval from Bursa on listing of and quotation for up to 53,210,000 new shares representing not more than 20% of the issued Shares of the Company (excluding treasury shares).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 36. Significant Events (Cont'd)

(c) Employee fraud

On 15 December 2021, the Company announced the discovery of employee fraud and control deficiencies in one of the wholly-owned subsidiaries of the Company which operates in Jakarta, Indonesia. The Company has appointed an independent forensics auditor to ascertain the extent of the employee fraud and control deficiencies. The findings of Phase 1 of forensic audit report dated 24 January 2022 includes identification of 4 fraudsters that breached the Company's policies on Conflict of Interest, and Anti-Corruption, Collusion and Nepotism; while the breakdown in internal control system and the possible conspiracy between the fraudsters and other employees within the subsidiary have caused the failure to detect the fraud and contributed to the fraudulent act. As of the date of this report, Phase 2 comprehensive investigative audit review is in progress and the detailed financial impact, if any of the said employee fraud and control deficiencies can only be ascertained upon completion of the forensic audit.

During the financial year, inventory losses of IDR1,104,610,520 (approximately RM323,000) and overstatements of trade receivables of IDR1,229,012,000 (approximately RM356,000) had been identified by the Group due to the employee fraud discovered. The impact of fraud had been included in the Group's financial position and result during the financial year.

(d) Proposed employee share option scheme ("ESOS")

The Company had on 16 July 2021, announced its proposal for granting ESOS options and had on 10 March 2022 obtained approval for granting ESOS options of up to 30% of AIM's total number of issued shares (excluding treasury shares) for eligible directors and employees of the Group to subscribe new ordinary shares of the Company at an option exercise price to be determined at future date subject to the approval of shareholders at the upcoming EGM, date to be determined.

## 37. Comparative figures

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2021.

## 38. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 April 2022.

## LIST OF PROPERTIES

### Summary of Landed Properties

The Summary of the information on properties owned by our Group is as follows:-

Postal Address	Description of Property / Existing Use	Status / Registered Owner	Audited Net Book Value as at 31 December 2021 (RM)	Approximate age of Building (Years) / Date of Acquisition	Tenure / Expiry Date of Lease	Approximate Land Area / Approximate Total Built-up Area (Sq metre)
Ruko Hayam Wuruk Jalan Kebon Jeruk VII No.2 E Rt.010 RW 004 Maphar, Tamansari Jakarta Barat	Four-storey shophouse building without a lift	Owned / PT CLS System	1,408,489	5 / 20 December 2017	20 years / 29 November 2037	112 / 366
No. 18, Jalan Balam, 51100 Kuala Lumpur	Four-storey shop/office with a lift	Owned / Angkara Setia Development Sch Bhd	3,321,205	43 / 30 October 2017	Freehold	312 / 1252

# ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2022

Total Number of Issued Shares : **266,058,666 Ordinary Shares**  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote for each ordinary share held

## DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2022

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	298	24.98	12,801	0.00
100 – 1,000	120	10.06	46,450	0.02
1,001 – 10,000	320	26.82	1,911,863	0.72
10,001 – 100,000	357	29.92	13,301,242	5.00
100,001 – Less than 5% of issued shares	94	7.88	82,766,882	31.11
5% and above of issued shares	4	0.34	168,019,428	63.15
<b>Total</b>	<b>1,193</b>	<b>100.00</b>	<b>266,058,666</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2022

(As per Register of Substantial Shareholders)

No.	Name of Substantial Shareholders	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1.	Mak Siew Wei	71,743,416	26.97	-	-
2.	CG Assets Pte Ltd	47,378,822	17.81	-	-
3.	Ang Huat Keat	-	-	47,378,822*	17.81*
4.	Ngai Yoon Fatt	-	-	47,378,822*	17.81*
5.	Chong Loong Men	22,897,190	8.61	-	-

Remark:

\* Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her shareholding in CG Assets Pte Ltd.

## DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2022

(As per Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1.	Dato' Ir Lim Siang Chai	-	-	-	-
2.	Dato' Kang Chez Chiang	-	-	-	-
3.	Mejar Dato' Ismail Bin Ahmad	-	-	-	-
4.	Kang Teik Yih	-	-	-	-
5.	Mak Siew Wei	71,743,416	26.97	-	-
6.	Choong Mun Kit	-	-	-	-

## ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2022

**LIST OF TOP 30 LARGEST REGISTERED SHAREHOLDERS AS AT 1 APRIL 2022***(According to the Record of Depository as at 1 April 2022)*

No.	Name of Shareholders	No. of Shares Held	%
1.	MAK SIEW WEI	71,743,416	26.97
2.	CG ASSETS PTE LTD	47,378,822	17.81
3.	AFFIN HWANG NOMINEES (ASING) SDN BHD - EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	26,000,000	9.77
4.	M & A NOMINEE (TEMPATAN) SDN BHD - SANSTON FINANCIAL GROUP LIMITED FOR CHONG LOONG MEN	22,897,190	8.61
5.	AFFIN HWANG NOMINEES (ASING) SDN BHD - DBS VICKERS SECS (S) PTE LTD FOR KGI SECURITIES (SINGAPORE) PTE. LTD.	11,100,000	4.17
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD - ERIC TAN CHWEE KUANG	4,550,000	1.71
7.	CARTABAN NOMINEES (ASING) SDN BHD - BARCLAYS BANK PLC (RE EQUITIES)	4,536,600	1.70
8.	CITIGROUP NOMINEES (ASING) SDN BHD - UBS AG FOR MAYBANK KIM ENG SECURITIES PTE LTD	3,587,600	1.35
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	3,300,000	1.24
10.	SEAN KOH WEI ZHONG	3,000,000	1.13
11.	TAI TEAN SENG	2,600,000	0.98
12.	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	2,489,710	0.94
13.	QUEK JIA YI	2,450,000	0.92
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MURUGA VADIVALE	2,115,000	0.79
15.	TAN YOKE THENG	2,034,600	0.76
16.	JF APEX NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	1,998,000	0.75
17.	OOI HAN EWE	1,689,700	0.63
18.	PANG MEI CHEA & SEE KIEW	1,650,000	0.62
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR KWONG MING KWEI (08KW032ZQ-008)	1,538,100	0.58
20.	SWEE YOK CHIN	1,510,000	0.57
21.	CHUNG SHAN HUI	1,460,000	0.55
22.	TAI YOK YEN	1,430,000	0.54
23.	LAI SIYONG SIN	1,358,100	0.51
24.	QUEK YONG WAH	1,203,800	0.45
25.	TAN YOKE WU	1,086,000	0.41
26.	KENANGA NOMINEES (TEMPATAN) SDN BHD - GAN BOON GUAT (EM1-P88)	1,065,600	0.40
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WONG INN LAI	1,041,006	0.39
28.	AFFIN HWANG NOMINEES (ASING) SDN BHD - EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD	958,200	0.36
29.	LAI TZE JIN	900,000	0.34
30.	CHEE EILEEN	884,300	0.33
<b>Total</b>		<b>229,555,744</b>	<b>86.28</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth (“18<sup>th</sup>”) Annual General Meeting of **ADVANCE INFORMATION MARKETING BERHAD** will be conducted on a fully virtual basis through live streaming from the broadcast venue at Lot 10.3, 10<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan (“Broadcast Venue”) on Thursday, 23 June 2022 at 10:00 a.m. to transact the following businesses:-

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note 3)*
2. To approve the payment of Directors’ Fees and Benefits up to an amount of RM457,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from this 18<sup>th</sup> Annual General Meeting until the next Annual General Meeting of the Company. ***(Resolution 1)***
3. To re-elect the following Directors who retire pursuant to Clause 105 of the Company’s Constitution:-
  - (i) Dato’ Ir Lim Siang Chai ***(Resolution 2)***
  - (ii) Dato’ Kang Chez Chiang ***(Resolution 3)***
4. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 4)***

### Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions of the Company:-

5. **Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** ***(Resolution 5)***

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby authorised to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Malaysia Securities Berhad’s (“Bursa Securities”) letter dated 23 December 2021 to grant an extension for the additional temporary relief measures to listed issuers and thereafter does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time of issuance and that the Directors be and are hereby empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Securities.

AND THAT such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting.”

# NOTICE OF ANNUAL GENERAL MEETING

**6. Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Mandate")**

**(Resolution 6)**

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this Ordinary Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution is passed, at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

# NOTICE OF ANNUAL GENERAL MEETING

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

7. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD  
**TAN KOK SIONG (LS0009932)**  
**(SSM PC NO. 202008001592)**  
Company Secretary

Kuala Lumpur

Date: 28 April 2022



# NOTICE OF ANNUAL GENERAL MEETING

## NOTES:-

### 1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/ proxies **WILL NOT BE ALLOWED** to attend this Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate remotely at the meeting will therefore have to register via the Remote Participation and Voting ("RPV") facilities operated by Mlabs Research Sdn Bhd at <https://rebrand.ly/AIM-AGM>.

**Please read these Notes carefully and follow the procedures in the Administrative Guide for the 18<sup>th</sup> AGM in order to participate remotely via RPV facilities.**

### 2. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 16 June 2022. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- (b) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- (d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (h) The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

# NOTICE OF ANNUAL GENERAL MEETING

- (i) Please ensure ALL the particulars as required in the proxy form is completed, signed and dated accordingly.
- (j) Last date and time for lodging the proxy form is Tuesday, 21 June 2022 at 10:00 a.m.
- (k) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia.

### **3. Audited Financial Statements for the financial year ended 31 December 2021**

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders.

### **4. Resolution 1 – Directors' Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting.

The Proposed Resolution 1 for the Directors' Fees and Benefits proposed for the period from this 18<sup>th</sup> AGM until the date of next AGM are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held from this 18<sup>th</sup> AGM until the date of next AGM. This resolution is to facilitate payment of Directors' Fees and Benefits. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

### **5. Resolutions 2 and 3 – Re-election of Directors**

Dato' Ir Lim Siang Chai and Dato' Kang Chez Chiang are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 18<sup>th</sup> AGM.

The Board had through the Nomination Committee carried out the assessment on the Directors and agreed that all Directors meet the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board had also through the Nomination Committee carried out assessment on the independence of Dato' Ir Lim Siang Chai and Dato' Kang Chez Chiang and is satisfied that they met the criteria of independence as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

# NOTICE OF ANNUAL GENERAL MEETING

## **6. Resolution 4 – Re-appointment of Auditors**

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs UHY and considered the re-appointment of Messrs UHY as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs UHY has the relevant criteria prescribed by Rule 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

## **7. Explanatory Notes on Special Business**

### **(i) Resolution 5 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Resolution 5 is prepared for the purpose of granting a renewed general mandate (“General Mandate”) and empowering the Directors to allot shares in the Company to be utilised for such purposes as the Directors consider would be in the interest of the Company, up to an amount not exceeding in total twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed 20% General Mandate”) up to 31 December 2022. With effect from 1 January 2023, the Proposed 20% General Mandate will be reinstated to a ten per centum (10%) limit (“Proposed 10% General Mandate”) in accordance to Rule 6.04(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or at the expiration of the period within which the next AGM is required to be held, whichever is earlier.

The General Mandate is to provide flexibility to the Company to allot new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional cost and time. The purpose of this General Mandate is for possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditure and acquisitions.

As at the date of this notice, the Company did not issue any shares pursuant to the General Mandate granted to the Directors at the Seventeenth AGM as there were no investment(s), acquisition(s) or working capital that require fund raising activity.

### **(ii) Resolution 6 – Proposed Renewal of Share Buy-Back Mandate**

The proposed Resolution 6, if passed, will give the Company the authority to purchase its own ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 28 April 2022 for further information.

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**PROXY FORM**  
**ADVANCE INFORMATION**  
**MARKETING BERHAD**  
 200401006266 (644769-D)  
 (Incorporated in Malaysia)

No. of Shares Held:	
CDS Account No.:	

I/We \_\_\_\_\_ NRIC/ Passport/ Registration No. \_\_\_\_\_  
 [Full name in block as per NRIC/Passport]

of \_\_\_\_\_  
 [Address]

Email Address: \_\_\_\_\_ Contact No.: \_\_\_\_\_

being member(s) of **Advance Information Marketing Berhad**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address:	Contact No.:		

and/or^

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address:	Contact No.:		

or failing him/her, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Eighteenth Annual General Meeting of the Company, which will be conducted on a fully virtual basis through live streaming from the broadcast venue at Lot 10.3, 10th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on **Thursday, 23 June 2022 at 10:00 a.m.** or any adjournment thereof, and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1	Approval on the payment of Directors' Fees and Benefits up to an amount of RM457,000 for the period from this 18 <sup>th</sup> Annual General Meeting until the next Annual General Meeting of the Company.		
2	Re-election of Dato' Ir Lim Siang Chai as Director of the Company pursuant to Clause 105 of the Company's Constitution.		
3	Re-election of Dato' Kang Chez Chiang as Director of the Company pursuant to Clause 105 of the Company's Constitution.		
4	Re-appointment of Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5	Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6	Proposed Renewal of Share Buy-Back Mandate.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022 \_\_\_\_\_

Signature\*  
 Member

^ Delete whichever is not applicable

\* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - (i) at least two (2) authorised officers, of whom one shall be a director; or
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

**Notes:-**

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- (i) Please ensure ALL the particulars as required in the proxy form is completed, signed and dated accordingly.
- (j) Last date and time for lodging the proxy form is Tuesday, 21 June 2022 at 10:00 a.m.
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AFFIX  
STAMP

**The Share Registrar**  
**WORKSHIRE SHARE REGISTRATION SDN BHD**  
**[202101030155 (1430455-D)]**

A1-2-2 Solaris Dutamas,  
No.1, Jalan Dutamas 1,  
50480 Kuala Lumpur.

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Fold this flap for sealing



**Advance Information Marketing Berhad**

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51100 Kuala Lumpur  
Malaysia

Tel: +603 4043 2699

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