



Advance Information Marketing Berhad

200401006266 (644769-D)





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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Choong Mun Kit
(Independent Non-Executive Director)

Mak Siew Wei
(Executive Director)

Kang Teik Yih
(Independent Non-Executive Director)

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

Ong Poh Lin Abdullah
(Independent Non-Executive Director)

AUDIT COMMITTEE

Kang Teik Yih (*Chairman*)
Mejar Dato' Ismail Bin Ahmad
Ong Poh Lin Abdullah

NOMINATION COMMITTEE

Mejar Dato' Ismail Bin Ahmad (*Chairman*)
Choong Mun Kit
Ong Poh Lin Abdullah

REMUNERATION COMMITTEE

Choong Mun Kit (*Chairman*)
Mejar Dato' Ismail Bin Ahmad
Ong Poh Lin Abdullah

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

A3-3-8 Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel No. : 03-6413 3271
Fax No. : 03-6413 3270

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
A3-3-8 Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel No. : 03-6413 3271
Fax No. : 03-6413 3270

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

Advance Information Marketing Berhad ("AIM") Group is a diversified group with Business Process Outsourcing ("BPO") solution as its primary business activity. The Group provides 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, with the new addition of its new pharmacy retail business.

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.

The new pharmacy retail business under the franchisor's brand name of CONSTANT provides a new source of income to the Group.

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.

Advance Information Marketing Berhad

Angkara Setia
Development
Sdn Bhd

100%

PT CLS SYSTEM
(Indonesia)

100%

Advance Medipharm
Solutions Sdn Bhd

100%

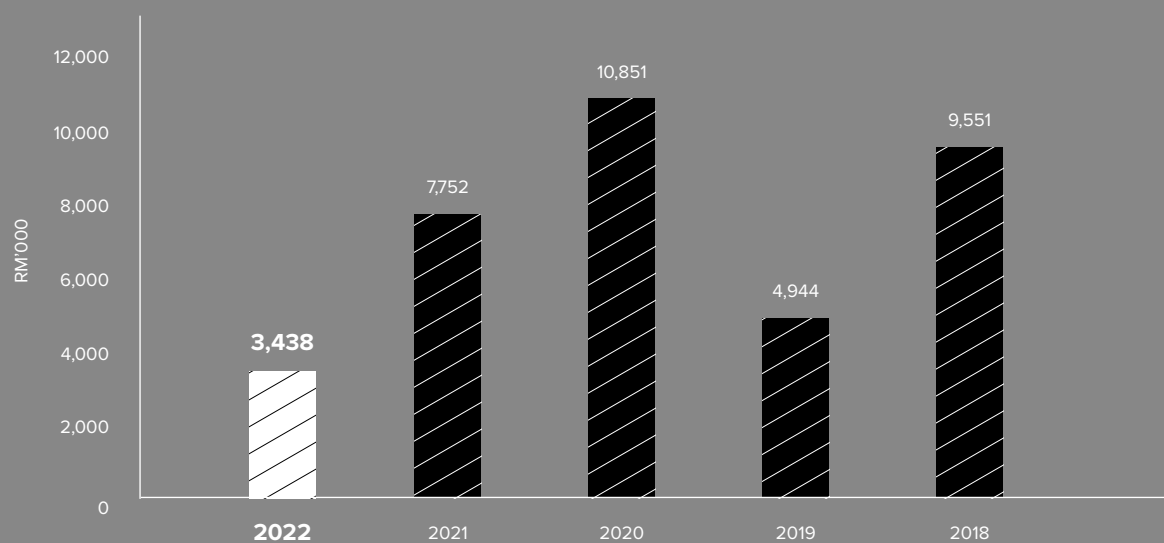
Advanced Supply
Chain Solutions
Sdn Bhd

100%

FIVE YEARS FINANCIAL HIGHLIGHTS

Financial Summary (RM'000)	2022	2021	2020	2019	2018
Revenue	3,438	7,752	10,851	4,944	9,551
Loss Before Tax	(4,434)	(5,187)	(3,821)	(4,098)	(2,320)
Loss Attributable to Shareholders	(4,443)	(5,162)	(3,795)	(4,083)	(2,330)
Paid up Capital	28,052	28,052	28,052	28,052	28,052
Shareholders' Equity	8,705	12,527	19,567	19,918	23,872
Total Assets Employed	11,372	15,740	22,316	22,508	25,108
Per Share					
Loss Per Share (Sen)	(1.67)	(1.94)	(1.57)	(1.69)	(0.96)
Net Assets Per Share (Sen)	3.240	4.700	8.100	8.200	9.900

5 Years Revenue Chart



Year ended 31 December



DIRECTORS' PROFILE

Dato' Ir. Lim Siang Chai

68 | Malaysian | Male

*Non-Independent
Non-Executive Chairman*

- 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. On 22 July 2022, he was re-designated as a Non-Independent Non-Executive Chairman.

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 Executive Director of Jiankun International Berhad.

Mak Siew Wei

48 | Malaysian | Male

Executive Director

- 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 was subsequently re-appointed as an Executive Director of the Company on 8 October 2021.

Mr Mak graduated from the University of Nebraska-Lincoln, United States with a Bachelor's Degree in Management Information System. He started his career as a business development manager for Marvic International (NY) Ltd for three years, where he was mainly responsible for expanding the client base of the company.

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

74 | Malaysian | Male

*Independent
Non-Executive Director*

- Chairman of Nomination Committee
- Member of Audit Committee
- Member of 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 Lembaga Tabung Angkatan Tentera, a wholesale and 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.

Choong Mun Kit

48 | Malaysian | Male

*Independent
Non-Executive Director*

- Chairman of Remuneration Committee
- Member of Nomination 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 profit and loss 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, AglieSHIFT, 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.



DIRECTORS' PROFILE

Kang Teik Yih

48 | Malaysian | Male

*Independent
Non-Executive Director*

- Chairman of Audit Committee
- Chairman of 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 more than 20 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.

Ong Poh Lin Abdullah

36 | Malaysian | Female

*Independent
Non-Executive Director*

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

Madam Ong was appointed as an Independent Non-Executive Director on 17 October 2022.

Madam Ong graduated from Universiti Tunku Abdul Rahman ("UTAR") in 2011 with a Bachelor Degree of Engineering (Hons) Biomedical.

Madam Ong started her career working in UTAR as research assistant in 2011. Subsequently, she joined IBG Manufacturing Sdn Bhd as Laboratory Consultant in 2014 and left in 2016. Currently, she is a Senior Admin Manager in Seakyin Holdings (M) Sdn Bhd, who responsible in managing and administrating the processing of invoices, organising and updating internal records accurately and timely as well as training and monitoring new teammates.

Madam Ong currently sits in the boards of AE Multi Holdings Berhad and Saudee Group Berhad as Independent Non-Executive Director.

Notes:

- 1) None of the Directors has any family relationship with any director and/or major shareholder of the Company.
- 2) None of the Directors has any conflict of interest with the Company.
- 3) 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 2022.

PROFILE OF KEY SENIOR MANAGEMENT

<p>Yeoh Siok Chen 62 Malaysian Male <i>Chief Executive Officer</i></p>	<p>Mr Yeoh was appointed as Chief Executive Officer of the Group on 1 March 2020.</p> <p>Mr Yeoh graduated from the University Malaya with a Bachelor Degree in Arts (Economics) in 1985 and he 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 and gas, forest plantation, manufacturing, innovative technologies and mixed property development.</p> <p>Mr Yeoh does not have any interest in the securities of the Company and the Group.</p>
<p>See Hui Fang 29 Malaysian Female <i>Financial Controller</i></p>	<p>Ms See joined the Company in August 2021 as a Finance Manager and was promoted to Financial Controller in January 2023.</p> <p>Ms See pursued her education in University Tunku Abdul Rahman (UTAR) and graduated with a degree in Bachelor of Commerce (Hons) Accounting. She is also a member of Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).</p> <p>She started her career as an external auditor in Deloitte PLT in August 2016 and has experience in various industries such as construction and property development, trading and distributions, manufacturing, palm oil industry, etc. During her service in Deloitte PLT, she was also involved in clients' Initial Public Offering (IPO) exercises.</p>
<p>Ivan Yap 35 Indonesian Male <i>General Manager of PT CLS System</i></p>	<p>Mr Ivan was appointed as General Manager of PT CLS System, a wholly-owned Indonesian subsidiary of Advance Information Marketing Berhad ("AIM") on 6 July 2022.</p> <p>Mr Ivan holds double major in Bachelor of Information Technology, majoring in Computer Science & Software Development and Multimedia Technology from Deakin University, Melbourne.</p> <p>After graduation, Ivan stayed in Australia and began his first career as Bureau Operator in LitSupport, Melbourne. Subsequently, he joined Nestle Peter's Ice Cream Melbourne as National Order Management Specialist. Before joining PT CLS System, he was the Senior Representative of Australia Market Development of Borden Company Singapore. He has experience in business operations in Information Technology and Services Industry.</p>
<p>Anthonius 47 Indonesian Male <i>IT Manager</i></p>	<p>Mr Anthonius was appointed as IT Manager of AIM since 2011.</p> <p>He holds a 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 AIM for 20 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 optimisation.</p>

Notes:

- 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 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS REVIEW

For the year under review, the Company and its subsidiaries (“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 Group had also embarked on the new pharmacy retail business towards the last quarter of 2022.

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, the increasing competitiveness of the business required the Group to adopt a more aggressive approach. The realignment of business strategies required the restructuring of the business model with a new management team. Our own shopping platform named TokoLab, was further enhanced to meet the new challenges 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 dismal 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 with the Group’s participation in the pharmaceutical retail business.

FINANCIAL REVIEW

For the financial year ended 31 December 2022 (“FYE 2022”), the Group recorded total revenue of RM3.44 million. The revenue for the year under review decreased by 56% as compared with previous year’s revenue of RM7.75 million. This was mainly due to change of management team in the Indonesia’s subsidiary after the fraud was discovered in 2021, which had caused disruption in the business processes, loss of customers and decreased in customers’ orders.

The Group had recorded a loss before tax of RM4.43 million in FYE 2022, which was lower by 15% as compared with previous year’s loss before tax of RM5.19 million.

The operating and administrative expenditure incurred had decreased in FYE 2022, mainly resulted from the saving of high legal fees incurred by the holding company to settle the material litigations costs in 2021, subsequent to the settlement of the Group’s material litigations in 2022.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

As part of its overall liquidity management, the Group maintains sufficient cash and cash equivalents to meet its capital requirements. Cash and cash equivalents as at 31 December 2022 were RM566,952, as compared to RM4,074,826 as at 31 December 2021. The Group held short-term investment with licensed banks of RM28,184 as at 31 December 2022, as compared to the encumbered deposits of RM1,309,437 and short-term investment of RM1,002,394 held with licensed banks respectively in the previous year.

The Group strives to maintain available banking facilities at a reasonable level to its total debt position. Borrowings of the Group amounted to RM1,537,329 as at 31 December 2022, as compared to RM2,204,131 as at 31 December 2021, a reduction of RM666,802 or 30%, which was mainly attributed to a full settlement of short-term borrowing during the financial year under review.

The Group remained in a net cash position as at 31 December 2022. The Group’s capital expenditure in FYE 2022 amounted to approximately RM272,827.

The Group is expected to derive its working capital and capital resources from self-generated funds and proceeds raised or to be raised from the fund-raising exercises proposed to be undertaken by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

MCLS segment is still expected to be the mainstay of the Group's operations. The eroding margins of this sector is a key denominator of the progress of the business. The Group's innovations in this segment are necessary to remain relevant moving forward.

As for the pharmacy retail business, the Group relies on the Franchisor in taking the Group's pharmacy business forward with their wide network business. The market sentiment towards the pharmacy business is generally positive.

IDENTIFICATION OF RISKS

The aftershocks impact of the pandemic had affected the overall supply chain of doing business, thus pushing cost of doing businesses upwards. Whilst the re-opening of business augurs well for the industry, inflation and cost management remain a challenging effort.

Existing MCLS business continues to be competitively challenging, with market players attempting to undercut through lower pricing. The pharmacy retail business growth is dependent on the skills and abilities of the Franchisor.

MOVING FORWARD

Year 2023 shall be an interesting year for the Group as it faces new challenges under the current headwind.

The Company's first pharmacy retail outlet chain in Bukit Raja, Klang under the franchisor's brand name "CONSTANT PHARMACY" commenced operation towards the end of the fourth quarter of 2022. The entry of the new business augurs well for the Group, thereby reducing reliance of the Group's existing MCLS business. It is hoped that the new pharmacy retail business contributes positively to the Group's revenue. Growth in the existing business persists albeit at slower pace.

Contribution from Indonesian subsidiary is also expected to grow in 2023. This realignment of business strategies for both the Malaysian and Indonesian subsidiaries is believed to be yielding positive results in near future.

The Group shall continue to intensify its search for other new revenue contributor 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 FYE 2022.



CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors (“the Board”) acknowledges the importance of corporate social responsibility 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 Company and its subsidiaries (“the Group”).

STAKEHOLDERS ENGAGEMENT

Our approach to stakeholder engagement are listed as follows:-

Stakeholder Group	Type of Engagement	Engagement Focus / Objectives
Shareholders	<ul style="list-style-type: none">• Annual General Meeting or Extraordinary General Meeting• Announcements to Bursa Malaysia Securities Berhad• Annual report, Circulars and Quarterly reports• Company’s website• Advertisement of notice	<ul style="list-style-type: none">• Shareholders’ engagement• Group’s financial performance and overall business prospect
Customers	<ul style="list-style-type: none">• Meetings• Emails• Feedback forms	<ul style="list-style-type: none">• Products and service’s quality assurance and deliverability• Customer relations management
Suppliers	<ul style="list-style-type: none">• Meetings and discussion• Feedbacks	<ul style="list-style-type: none">• Sound payment practices• Supplier relations management
Employees	<ul style="list-style-type: none">• Meetings and discussion• Training and development• Annual performance review• Policies and procedures	<ul style="list-style-type: none">• Career progression and performance opportunities• Employee development needs• Remuneration and benefits
Government Regulators	<ul style="list-style-type: none">• Statutory submissions• Site visit and meetings	<ul style="list-style-type: none">• Timely compliances• Adherence to rules and regulations
Franchisor	<ul style="list-style-type: none">• Coordination Meetings• Feedbacks	<ul style="list-style-type: none">• Business operations and developments• Exchange of promotional ideas

KEY SUSTAINABILITY MATTERS

Sustainability is an integral part of our business and the Group’s corporate responsibility practices focus on five (5) areas, i.e. Environment, Workplace, Market Place, Employees and Customers, 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 stakeholder’s engagement as outlined below.

CORPORATE SUSTAINABILITY STATEMENT



The Group acknowledges the impact of its day-to-day business on the environment, particularly the waste generated from corrugated carton paper boxes used in fulfillment services. To address this, the Group is committed to implement environmentally friendly work practices and raising the environmental awareness among its employees.

I) Waste reduction

In addition to promoting a paperless environment and recycling paper, the Group has implemented a waste reduction strategy by reusing and recycling paper boxes generated from fulfillment service whenever possible. The funds generated from recycling the corrugated carton boxes are used for staff welfare, such as providing drinks and snacks to employees as an incentive and encouragement to them in supporting Group's effort in waste reduction.

II) Power conservation

The Group has been putting effort to minimise the consumption of energy through mindful usage of electricity. All electrical equipment are switched off when not in use during lunch period or at the end of the working day. The Group has also re-organised employees' workspace by gathering employees of similar departments on the same floor and leaving some floors empty to reduce electricity usage.

III) Green procurement

The Group has adopted a green procurement practice which involves purchasing environmentally friendly products such as non-toxic cleaning supplies.



I) Workplace

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

Increase job security

The Group is making effort to increase job security and stability by providing a safe and pleasant working environment. Creating a more stable workplace can help reduce financial stress and anxiety for employees, increase job satisfaction and productivity, and ultimately contribute to the Group's long-term success.

Diversity and improved earning potential

The Group values the diversity of its employees and recognises that differences in culture, gender, and religion bring a broader range of competencies, skills, and experiences to enhance the Group's capabilities and achieve business results. The Group is committed to providing equal opportunities and promoting diversity in the workforce, which can create a more inclusive workplace where employees feel valued and motivated. This, in turn, can lead to higher earning potential as employees are encouraged to develop their skills and advance in their careers.

Access to training and development opportunities

To optimise employee talents and capacities, various in-house trainings, external training programs including online training, webinar and seminar are continuously provided to all employees to enhance their knowledges and skills, improve their job performance and increase their value in the job market.

CORPORATE SUSTAINABILITY STATEMENT

Better work-life balance

The Group focuses on creating a pleasant working environment that helps employees achieve a better work-life balance, which can have positive economic impacts. A better work-life balance can improve employee health and well-being, reduce stress and absenteeism, and increase job satisfaction and productivity.

Reduced healthcare costs

The Group encourages employees to purchase pharmaceutical and healthcare products from our own pharmacy outlet by offering special price discounts. This can provide positive economic impacts for both the Group and the employees by reducing healthcare costs and promoting employee health and well-being.

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 taken care of. The Group emphasises good corporate governance practices, transparency and accountability to meet its stakeholders' expectations.

Positive impact on the reputation and brand image

The Group's commitment to good corporate governance practices, transparency, and accountability has had a positive impact on its reputation and brand image. This has resulted in increased trust and loyalty from existing customers and has attracted new customers, boosting Malaysia's revenue segment in financial year 2022. Despite the fraud incident identified in the previous financial year, the Group has made efforts to revamp and restructure its management team and has started to regain the trust of its existing customers. Moreover, with the Group's good reputation, we have successfully entered into franchise agreements to obtain the rights and franchise to operate the retail pharmacy business.

Compliance with regulations

The Group's commitment to meeting the expectations of authority bodies and the public has had a positive impact on the economic conditions of the market place. By adhering to regulations and laws, the Group has avoided costly fines and legal battles.



I) Our Employees

The Group continuously strives to provide a healthy and safe working environment for our employees. To enhance the employees' quality of life, the Group is committed in providing opportunities for the employees to stay healthy as we believe that contented and engaged employees will be in a better position to offer exceptional performance to the Group.

Improved physical health and well-being

The Group provides a healthy and safe working environment to promote positive impacts on our employees' physical health and well-being. In line with the new pharmacy business, we have implemented health and wellness programs such as health screenings, blood tests, blood pressure, and cholesterol tests for our employees. These initiatives can help identify potential chronic diseases like obesity, diabetes, and heart disease, and lead to a more productive and engaged workforce.

Enhanced mental health and well-being

The Group is committed to supporting our employees' mental health by providing opportunities for them to maintain a healthy mind. We offer counselling and mindfulness practices to help our employees manage their mental health and reduce the risk of burnout and other mental health issues. By promoting a work-life balance and creating a supportive work culture, the Group helps employees feel valued and engaged, leading to improved mental health.

II) Customers

The Group places a high value on maintaining positive relationships with its customers. To achieve this, the management team meet up with clients regularly to understand their needs and requirements, gather feedback on the services provided and identify new potential business opportunities.

CORPORATE SUSTAINABILITY STATEMENT

Fostering trust and loyalty

The Group understands that maintaining a good relationship with customers is crucial in building trust and loyalty. Management would have frequent meetings with clients to understand their needs and requirements from time-to-time and attempt to tailor its services to meet their specific needs. This has successfully fostered a long-term partnership with clients, which can lead to repeat business and positive word-of-mouth recommendations.

Responding to feedback and complaints

The Group understands the importance of responding promptly to feedbacks and complaints from customers. By actively listening to customers and addressing their concerns in a timely manner, the Group has demonstrated its commitment to customer satisfaction. This has helped to improve the Group's reputation and increased client's satisfaction, which the Group believes could lead to more business opportunities and referrals in the coming future.

Identifying new business opportunities

Frequent meetings with clients have enabled the Group to identify new potential business opportunities. For example, the Group explored new markets this year, such as the Shopee market and gained new customers by providing fulfillment services to Shopee sellers. This initiative has helped to improve the revenue of the Malaysia segment, indicating that exploring new markets can be a lucrative strategy for the Group.

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

This Statement was approved by the Board on 14 April 2023.

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 uphold high standards of corporate governance and ensure that it is practised throughout the Group as a fundamental part of discharging its duties, with the ultimate objective of realising long-term shareholder value and protecting shareholders’ interest, while taking into consideration the interest of other stakeholders.

This Corporate Governance Overview Statement (“CG Overview Statement”) summarises the extent to which the Company has complied with the governance standards prescribed in the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), as well as the adoption and application of the Principles and recommended best practices encapsulated in the latest Malaysian Code on Corporate Governance (“MCCG”) during the financial year ended (“FYE”) 31 December 2022.

This CG Statement is prepared in compliance with Rule 15.25(1) of the ACE LR of Bursa Securities and should be read together with the Corporate Governance Report (“CG Report”) 2022 of the Company consisting the detailed application of each practices set out in the MCCG by the Group during the FYE 31 December 2022, which is available for public access together with this Annual Report on the Bursa Securities’ website and the Company’s website at <http://www.aim-net.com.my>.

The Board is of the opinion that the Group has, in all material aspects, applied the Principles and adopted the recommended best practices as set out in the MCCG for the FYE 31 December 2022. The detailed explanations for any departures are elaborated in the CG Report 2022.

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.

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 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 towards the Group's 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 of the shareholders, employees, customers, suppliers and the community.

The Board is collectively responsible for establishing the Group's goals and strategic directions, setting goals and targets for Management and monitoring the achievement of goals and targets. The Board provides effective leadership and manages overall control of the Group's affairs through the discharge of the principal duties and responsibilities in line with the practices prescribed under the MCCG as stated in the Board Charter which is available in the Company's website.

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.

In discharging its responsibilities, the Board considers all aspects of the operations of the Group and in particular the following areas:

- Reviewing and approving strategic business plans for the Group
- Overseeing the conduct of the business operations and performance of the Group
- Assessing the effectiveness of the Board, Board Committees and individual Directors
- Maintaining effective communication with stakeholders, including shareholders and the general public

Although the Group has yet to establish a formal sustainability framework and undertake material sustainability initiatives due to other urgent priorities, such as addressing the Group's fundamental business and cashflow sustainability and concentrating on the establishment of the new pharmacy business and its subsequent operations. Following the identification of the fraudulent incident in the Group's Indonesian subsidiary's operation in 2021, the Group has initiated a comprehensive restructuring process in the Indonesian subsidiary that involves the replacement of the existing management with a new general manager, termination of staff who were implicated in the fraudulent act and recruitment of new personnel. The Group is focusing on rebuilding the trust of the existing customers, expanding the customer base, seeking new sources of business, and other relevant measures to enhance the business operation in Indonesia.

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 distinctive to each other, to provide effective leadership to the Board and the Group. The Board is of the view that the distinct and separate roles of the Chairman and the CEO, with a clear division of responsibilities as clearly defined in the Board Charter would ensure and further enhance the existing balance of power and authority, such that no one individual has unfettered power of decision-making.

The Chairman, Dato' Ir. Lim Siang Chai, is responsible for the achievement of the Group's strategic vision and for leading the Board in its collective oversight of Management, whilst the Group's CEO, Mr Yeoh Siok Chen focuses on the business and day-to-day management of the Group and the implementation of the Board's decisions. The CEO would also brief the Board on business performance and operations, as well as Management initiatives during quarterly Board's meetings.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. The CEC provides guidance on ethical and behavioural considerations and actions to the Board, Management and employees of the Group. In addition, the Board has also formalised 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.

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, detailed as follows:-

Name	Directorship
Dato’ Ir. Lim Siang Chai	Non-Independent Non-Executive Chairman
Mak Siew Wei	Executive Director
Mejar Dato’ Ismail Bin Ahmad	Independent Non-Executive Director
Kang Teik Yih	Independent Non-Executive Director
Choong Mun Kit	Independent Non-Executive Director
Ong Poh Lin Abdullah	Independent Non-Executive Director

The composition of the Board complies with Rule 15.02 of the ACE LR of Bursa Securities, which requires at least one-third (1/3) of the Board to be independent members. The Company has also fulfilled the best practice under the MCCG to have at least half of the Board members comprises a majority of independent directors.

The Board is free to discuss all matters regarding the affairs of the Group, without any restrictions or limitations being imposed on any Director. Where matters discussed involve the interest of any Director, he/she shall declare his/her interest and refrain from discussions and decision-making.

The current independent Board structure ensures that no individual or group of individual dominates the Board’s decision making. The Board will continue to monitor and review the Board’s size and composition as may be needed.

Board Diversity

The Board is of the opinion that the current composition of the Board of the Company, with their different background and specialisations, has the required mix of skills and experience required 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. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole. Although the Board has yet to establish a formal Gender Diversity Policy, the Board has appointed a female director on 17 October 2022, pursuant to Rule 15.02(1)(b) of the ACE LR of Bursa Securities and in compliance with the implementation date set by the Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 annual shareholders' approval at the Annual General Meeting ("AGM"). Considering the recommendation of MCCG on the tenure of an Independent Director, as at the date of this CG Overview Statement, none of the Independent Directors has served the Company for a cumulative term of more than nine (9) years.

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

The Nomination Committee is responsible for making recommendations, assessing the suitability of potential Board member candidates pursuant to the Directors' Fit and Proper Policy adopted by the Company and ensuring the relevant procedures for appointment of new Directors are transparent and based on merit. The final decision on the appointment of a Board member candidate recommended by the Nomination Committee shall lie with the Board.

In the process of identifying suitable new candidates, the Nomination Committee does not solely rely on recommendations from the existing Board member, Management or major shareholders of the Company. The Board will ensure that an appropriate review or search is undertaken by the Nomination Committee and/or an independent third party if necessary, to facilitate informed decision-making and would consider utilising independent sources to identify suitably qualified candidates when necessary.

With regards to the 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 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 on quarterly basis, to review and consider the following:-

- i) relevant operational reports from management;
- ii) reports on the financial performance;
- iii) reports from the various Board Committees;
- iv) quarterly financial statements for announcement to the authority;
- v) updates on the relevant corporate exercises; and
- vi) other significant matters and potential opportunities for the Group, if any.

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 as and when necessary. Additionally, in between Board meetings, the Board may also resolve and approve various matters by way of written resolutions.

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During the FYE 31 December 2022, the Board convened six (6) Board meetings and the attendance record of each Director at the Board meetings during their tenure of office is as follows:-

Name and Designation of Director	Total No. of Meetings attended during tenure of office
Dato' Ir. Lim Siang Chai Non-Independent Non-Executive Chairman <i>(Re-designated as Non-Independent Non-Executive Chairman on 22 July 2022)</i>	6/6
Mak Siew Wei Executive Director	6/6
Mejar Dato' Ismail Bin Ahmad Independent Non-Executive Director	6/6
Choong Mun Kit Independent Non-Executive Director	6/6
Kang Teik Yih Independent Non-Executive Director	6/6
Dato' Kang Chez Chiang Independent Non-Executive Director <i>(Resigned on 31 October 2022)</i>	5/5
Ong Poh Lin Abdullah Independent Non-Executive Director <i>(Appointed on 17 October 2022)</i>	1/1

All the Directors have complied with the minimum 50% attendance at Board meetings during the financial year under review as required under the ACE LR of Bursa Securities. 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 all Directors to devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship in other public listed company 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 Group. Currently, all Directors of the Company hold not more than five (5) directorships in public listed companies, which is in compliance with Rule 15.06 of the ACE LR of Bursa Securities.

Access to Information and Independent Advice

Management and the Company Secretary ensure that the Directors receive adequate and timely information before Board and Board Committee meetings.

The notice of each meeting together with the relevant Board papers are forwarded to each Director no later than seven (7) days before meeting. This arrangement enables Directors to seek clarification or further explanation from 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.

As part of the integrated risk management initiatives, the Board also noted the decisions and salient issues deliberated by Board Committees through the minutes of the respective Board Committees. Subsequent to the Board and Board Committee meetings, the draft minutes will be circulated to the Board and respective Board Committee for comment/confirmation to ensure that the relevant deliberations and decisions are accurately recorded.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has unrestricted access to the advice of the Company Secretary and senior management as well as all information within the Company to enable them to discharge their duties and responsibilities. The Board is supplied with information and reports on financial, regulatory and audit matters by way of Board papers in a timely basis for informed decision making and meaningful discharge of its duties.

In addition, the Board, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice and information at the Company's expense, if they deemed necessary, in furtherance of discharging their duties with adequate knowledge.

Director's Training

The Board of AIM acknowledged that new directors must attend the Mandatory Accreditation Program ("MAP") as 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 as Directors of the Company.

Details of seminars/conferences/training programmes attended by the Board members during FYE 31 December 2022 are as listed below:

Name of Directors	Seminars/Conferences/Training Programmes Attended	Date
Dato' Ir. Lim Siang Chai	Artificial Intelligence (AI) For Company Directors and Executives	20 December 2022
Mak Siew Wei	<ul style="list-style-type: none"> • AMLA, Market Misconduct and Compliance Requirements • Ethics and Integrity – Bribery & Corruption, Money Laundry and Management of Customer Information • Prevention of Financial Crime and Market Misconduct under CMSA 2007 • Ethics and Corporate Liability – S17A MACC Act, Data & Cyber Risk and AMLA 	30 June 2022 14 October 2022 15 October 2022 16 October 2022
Mejar Dato' Ismail Bin Ahmad	Transactions and RPT Rules Simplified	13 June 2022
Kang Teik Yih	<ul style="list-style-type: none"> • The Metaverse: Its Economy and Economics • Latest Trends and Typologies in Financial Crime • Purpose Driven Leadership – The Importance of Owing an Impact Statement • Highlight from Budget 2023 • Conversation with Audit Committee • Data & Compliance Report 2022 	28 April 2022 18 July 2022 5 October 2022 7 November 2022 17 November 2022 24 November 2022
Choong Mun Kit	<ul style="list-style-type: none"> • UKDIT Smart Cities Mission to Malaysia Conference 2022 • BritCham Indonesia – Axelos UK-Duco Digital UK on AI & ITSM Conference and Panel Presenter • Mandatory Accreditation Program for Directors of Public Listed Companies (23 May 2022-25 May 2022) • ICEF Asia Vietnam Conference 	22- 24 February 2022 2 March 2022 23-25 May 2022 28-30 July 2022
Ong Poh Lin Abdullah	Mandatory Accreditation Program for Directors of Public Listed Companies	5-7 December 2022

All Directors have completed the MAP as prescribed by Bursa Securities. The Directors will also attend other relevant education and/or training programmes to keep abreast with latest developments and knowledge on a continuous basis in compliance with the ACE LR of Bursa Securities.



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In addition, the Board has also been regularly updated and advised by the External Auditors, the Internal Auditors and the Company Secretary along with other independent professionals on changes in the statutory and regulatory requirements and matters on governance, to enable the Directors to discharge their responsibilities effectively. The Company Secretary will also regularly update and notify the Board on invitations for trainings or seminars organised by Bursa Securities, Securities Commission Malaysia and any other relevant regulatory bodies. Overall, the Board actively seeks advice and interact with the relevant professional personnel to enhance their skills and knowledge on specific area.

Board Committees

The Board has established four (4) Board Committees, delegated with certain responsibilities as detailed below, 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, to assist in discharging its relevant functions. The ultimate responsibility for decision making, however, lies with the Board. The roles and responsibilities of the Board Committees are set out in their respective TOR, published on the Company's website.

The Board Committees for the FYE 31 December 2022 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 29 to 33 of this Annual Report.

(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 obligated to report its proceedings, deliberations and recommendations to the AC directly.

As of the date of this CG Overview 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	Non-Independent Non-Executive Chairman
Member	Mak Siew Wei	Executive Director

(c) Nomination Committee ("NC")

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors. The NC is responsible for ensuring that the Board has the appropriate balance composition and size, the required skills mix, experience and other core competencies.

The Board entrusted the NC with the responsibilities of assessing the composition of the Board and/or Board Committees, proposing and recommending new candidates to the Board by looking into his/her skills and expertise for contribution to the Company, evaluate the existing Directors on an on-going basis and to consider and recommend the re-election of Directors who are due for retirement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Designation	Name	Directorship
Chairman	Mejar Dato' Ismail Bin Ahmad	Independent Non-Executive Director
Member	Choong Mun Kit	Independent Non-Executive Director
Member	Ong Poh Lin Abdullah	Independent Non-Executive Director

The NC meets as and when required. For the FYE 31 December 2022, the NC met once and the meeting was attended by all of its members.

The NC is responsible for leading the new Board member and key senior management's nomination process and make the necessary recommendations to the Board for their appointment, after taking into consideration the structure, size, balance and composition of the Board and Board Committees.

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. 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 the Directors continue to be able to match the increasing expectations 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. 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.

Based on the above, the NC was satisfied with the performance and the results of the assessments of the Board as a whole, the Board Committees and each individual Directors. Premised on the aforesaid, the Board is of the view that the Board currently reflects a good mix of skills with different professional backgrounds, knowledge, financial and business expertise, experiences and qualifications to enable the Board to provide clear and effective leadership to the Group.

The main activities carried out by the NC during the financial year under review are summarised as follows:-

- (a) Reviewed and confirmed the minutes of the NC meeting;
- (b) Reviewed the composition and size of the Board, mixture of skills and experience and other qualities, including core competencies of each Director;
- (c) Reviewed and assessed the effectiveness of the Board as a whole and the respective Board Committees;
- (d) Evaluated the contribution and performance of each Director;
- (e) Reviewed the independence of the Independent Directors;
- (f) Reviewed the performance of the ARMC and each of its members pursuant to Rule 15.20 of the ACE LR of Bursa Securities. The assessment was carried out by way of self and peer evaluation by all the ARMC members;
- (g) Reviewed and recommended to the Board on the re-election of the eligible Directors who were due to retire at the 18th AGM of the Company;
- (h) Reviewed and recommended to the Board on the appointment of new Director; and
- (i) Reviewed and recommended to the Board on the re-designation of the Directors and changes in the composition of Board Committees following the change of Directors.

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

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(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 determining and carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration package for all Directors and key 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, which would enable the Company to attract, retain and motivate its Directors and key senior management.

As of the date of this CG Overview Statement, the composition of the RC is as follows:

Designation	Name	Directorship
Chairman	Choong Mun Kit	Independent Non-Executive Director
Member	Mejar Dato' Ismail Bin Ahmad	Independent Non-Executive Director
Member	Ong Poh Lin Abdullah	Independent Non-Executive Director

The RC meets as and when required. For the FYE 31 December 2022, 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 in developing policy for executive remuneration and fixing of the remuneration packages for individual Directors.

Broadly, the policy for determining the remuneration for Executive Director 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 considers 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 (5) senior management of the Company is currently 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 Directors' Fees and Directors' Benefits reviewed by the RC are subject to the endorsement of the Board and approval of the shareholders at the Company's AGM. The Board as a whole proposed the remuneration of the Non-Executive Directors.

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

- (a) Payment of Directors' Fees to Non-Executive Directors;
- (b) Payment of Directors' Benefits to Executive and Non-Executive Directors;
- (c) Remuneration package of the Executive Director; and
- (d) Remuneration package of the Chief Executive Officer.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of Remuneration of Directors and Top Five (5) Senior Management

(a) Directors' Remuneration

The Company will seek the shareholders' approval at the forthcoming 19th AGM for Directors' fees and benefits payable to the Directors for the period from this 19th AGM until the next AGM of the Company in 2024. 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 remuneration of the respective Directors who served the Company during the FYE 31 December 2022 are as disclosed in Practice 8.1 of the CG Report.

(b) Top Five (5) Senior Management's Remuneration

In determining the remuneration packages of the Group's senior management personnel, factors that were taken into consideration include their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment, in consideration of the importance of ensuring stability and continuity of the Group's business operations with a competent and experienced Management team in place, the Board is of the view that disclosure on named basis of the top five (5) senior management's remuneration components in accordance with the recommendation of Practice 8.2 of the MCCG, is not in the best interest of the Company.

Nonetheless, the remuneration paid to the top five (5) senior management (excluding Executive Director) for the FYE 31 December 2022 of the Company analysed in bands of RM50,000 is as follows:-

Remuneration Bands	Number of Senior Management
RM50,000 to RM100,000	2
RM100,001 to RM150,000	2
RM250,001 to RM300,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The AC is chaired by Mr Kang Teik Yih, an Independent Non-Executive Director who is not the Chairman of the Board, so as not to impair the objectivity of the Board's view of the AC's findings and recommendation. 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.

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

- (i) reviewing the audits performed by the External Auditors to ensure objectivity and independence;
- (ii) reviewing the recurring audit related and non-audit related services performed by the External Auditors;
- (iii) reviewing of related party transactions as well as conflict of interest situations;
- (iv) ensuring accurate and timely financial reporting and compliance with applicable financial reporting standards, laws, rules and regulations;
- (v) ensuring an effective risk management framework is in place to manage risks impacting the Group;
- (vi) ensuring adequate internal control in the systems and processes and that the Group's internal audit function operates effectively; and
- (vii) reviewing the terms of engagement provided by the External Auditors before recommending to the Board for approval.

The performance of the AC and its members are reviewed by the NC annually to determine whether the AC as a whole and its members have carried out their duties in accordance with the AC's TOR. The Board, through the NC, assess 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. The summary of activities conducted by the AC and the role of the AC in relation to both the Internal and External Auditors are set out in the AC Report on pages 29 to 33 of this Annual Report.

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 is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors, as well as review and evaluate factors relating to the independence of the External Auditors. 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 in addition 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.

The appointment or annual 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 of the Group's 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. For the FYE 31 December 2022, the AC had one (1) private session with the External Auditors without the presence of the Executive Director and Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 31 December 2022, the non-audit related review undertaken by the External Auditors includes the review of the Statement on Risk Management and Internal Control of the Company, for inclusion into the Annual Report 2021.

The AC, having assessed the suitability and independence of the External Auditors and reviewed the level of non-audit services rendered by them for the FYE 31 December 2022, was satisfied with the External Auditors' performance, technical competence, suitability and independence and has therefore, recommended the re-appointment of Messrs UHY as External Auditors of the Company and the Group for the ensuing year to the Board, upon which shareholders' approval will be sought at the upcoming 19th AGM.

Effective Risk Management and Internal Control

The Board acknowledges its overall responsibility in maintaining the Group's sound system of internal control and risk management practices. The AC and RMC assists the Board in overseeing and evaluating the adequacy and effectiveness of the Group's risk management and internal control system in on-going basis. Such system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement, errors, frauds or losses.

The effectiveness of the internal control systems of AIM Group is reviewed periodically by the AC. 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 assess the timeliness of management actions to respond to the audit recommendations.

The Board has also set up the RMC to identify, evaluate and monitor significant risks the Group faces. The said Committee is also responsible for developing risk mitigation strategies and plans, as well as monitoring the implementation of such strategies and plans. Management to also provide assurance that the necessary control practices are adhered and carried out accordingly based on stipulated policies and framework.

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

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The Internal Auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out is tabled to the AC for consideration and approval annually.

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

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 is operating adequately and effectively in all material aspects. Subsequent to the discovery of the fraud in Indonesia's subsidiary, Management has strengthened the internal controls on the deficiencies reported by the Forensic Auditors and Internal Auditors.

Further details on the Group's risk management and internal control are further elaborated on pages 34 to 37 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 timely dissemination and the various announcements made to Bursa Securities' and publication on 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 with regards to the Company as well as its Annual Reports and Circulars/Statements to Shareholders. Shareholders are encouraged to access the Company's website as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information/update 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 and disclosures to Bursa Securities, the Company's website, circulars/statements to shareholders and press releases, the Company's AGM or any General Meetings also serve as the principal forums that provides the Board a direct channel of communication to engage dialogue and direct interactions with shareholders.

The Notice of the 18th 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. To ensure the safety and health of the participants from the Covid-19 pandemic, the 18th AGM was conducted virtually through live streaming from a broadcast venue on 23 June 2022. All resolutions set out in the Notice of AGM were put to vote electronically (e-vote). The 18th 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 or clarification from the Board and/or Key Senior Management team on the proposed resolutions during the meeting. The Chairman of the Board or the Meeting will ensure that sufficient opportunities are given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses are given.

All the Directors and the key senior management team of the Company are to be present at all General meetings of the Company, in order to engage directly with shareholders and to take up any relevant queries which are related to matters that fall under the purview of the relevant Board Committees or Board, unless unforeseen circumstances preclude them from attending so. The External Auditors of the Company will also be present at the AGM to provide their professional and independent clarification on any issues and concerns raised by the shareholders.

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 19th AGM to be held on 21 June 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

The upcoming financial year 2024 marks the effective implementation of the requirement for the enhanced sustainability practice and disclosure of the prescribed general disclosures by all listed corporations, set forth in the ACE LR of the Bursa Securities and as guided in the MCCG. Consequently, the Company prioritise on establishing its sustainable policy to demonstrate compliance with the relevant regulatory requirements. The Company is dedicated to fostering sustainable business practices that minimise the ecological footprint and maximise stakeholder value. By embracing the tenets of the ACE LR of Bursa Securities and MCCG in respect of the enhanced sustainability reporting framework, the Company aims to ensure the long-term viability of its business operations while promoting greater environmental responsibility.

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 year.

This CG Overview Statement was approved by the Board on 14 April 2023.

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 ("the Act") 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 give 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 2022, 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 internal control system 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, just 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 responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act.

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.

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 2022, 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.

This Statement was approved by the Board of Directors on 14 April 2023.

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 (“FYE”) 31 December 2022.

COMPOSITION OF THE AUDIT COMMITTEE

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

Designation	Name	Directorship
Chairman	Kang Teik Yih	Independent Non-Executive Director
Member	Mejar Dato’ Ismail Bin Ahmad	Independent Non-Executive Director
Member	Ong Poh Lin Abdullah	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 Certified Practicing Accountants, 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 FYE 31 December 2022, 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.

MEETINGS AND ATTENDANCE OF THE AUDIT COMMITTEE MEMBERS

During the FYE 31 December 2022, the AC held six (6) meetings. Details of the attendance of the AC members are as follows:

No.	Name and Designation of the AC Members	No. of Meetings attended
1.	Kang Teik Yih Chairman of AC, Independent Non-Executive Director	6/6
2.	Mejar Dato’ Ismail Bin Ahmad Member, Independent Non-Executive Director	6/6
3.	Dato’ Kang Chez Chiang Member, Independent Non-Executive Director (Ceased on 31 October 2022)	5/5
4.	Ong Poh Lin Abdullah Member, Independent Non-Executive Director (Appointed on 17 October 2022)	1/1

Other Board members, Chief Executive Officer, Finance Manager and representatives of the External Auditors, Internal Auditors and/or Forensic Auditors of AIM and its subsidiaries (“the 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 External Auditors were encouraged to raise any matters of concern which they consider important to bring to the AC’s attention. For the FYE 31 December 2022, the External Auditors had attended two (2) ARMC meetings, with one (1) private discussion held between the AC and the External Auditors in the absence of the Executive Director and Management.

Notice of the AC meetings were sent to all AC members at least seven (7) days before the date of the meeting. The Company Secretary will then compile the relevant meeting papers for dissemination to all AC members by email and/or by hand, to facilitate informed decision making and meaningful discharge of duties and responsibilities by the AC.

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

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

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

Independence of the Audit Committee

The Company recognised the need to uphold independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the AC of the Company were former key audit partners of the External Auditors appointed by the Group. The TOR of the AC requires a former key audit partner of the External Auditors of the Group to observe a cooling-off period of at least three (3) years, before being appointed as a member of the AC.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the FYE 31 December 2022, the main activities carried out by the AC, amongst others, include the following:

1. Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group and of the Company, including the announcements in relation thereto, before recommending the same for the Board's consideration and approval to be submitted to Bursa Malaysia Securities Berhad ("Bursa Securities");
- Reviewed the draft Directors' Report and Audited Financial Statements ("AFS") of the Group prepared by the External Auditors before recommending the same to the Board for approval and inclusion into the Annual Report of the Company to be submitted to Bursa Securities; and
- Ensured the Group's compliance with the ACE Market Listing Requirements ("ACE LR") of Bursa Securities, applicable approved accounting standards and relevant regulatory requirements at all times.

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 LR of Bursa Securities:

Date of Review/Approval	Review of Quarterly Interim Financial Statements/AFS
28 February 2022	Fourth quarter financial results for the FYE 31 December 2021
18 April 2022	Draft AFS for the FYE 31 December 2021
30 May 2022	First quarter financial results for the FYE 31 December 2022
26 August 2022	Second quarter financial results for the FYE 31 December 2022
25 November 2022	Third quarter financial results for the FYE 31 December 2022

2. Oversight of External Audit

- Reviewed the External Auditors' audit scope of work, audit plan and Audit Planning Memorandum, as well as their proposed fees for the statutory audit of the Group for the FYE 31 December 2022 and recommended the same for the Board's approval;
- Reviewed and discussed with the External Auditors on their audit findings and areas of concern highlighted, including system evaluation, issues raised, significant and unusual events or transactions, as well as audit recommendations for improvement to significant risk areas, internal control and financial matters based on observations made in the course of the interim and final audits and Management's response to those recommendations;

AUDIT COMMITTEE REPORT

- (c) Discussed with the External Auditors the significant accounting and auditing issues, impact of new or proposed changes in accounting and financial reporting standards and regulatory requirements applicable to the Group;
- (d) Met with the External Auditors without the presence of the Executive Director and Management to discuss on any significant audit issues or concerns which may have arisen in the course of their audit of the Group for FYE 31 December 2022;
- (e) Evaluated the performance, effectiveness, suitability, 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 2022 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 or aware of any breach or matter that impairs their professional 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 2022, 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.

Upon completion of the annual assessment and receipt of the above confirmation, the AC was satisfied that UHY was unlikely to create any conflict of interest nor impair the independence, suitability and performance of UHY in respect of its technical competency and effectiveness during the financial year under review and thus, recommended to the Board to seek shareholders’ approval for the re-appointment of UHY as External Auditors for the FYE 31 December 2022 at the AC meeting held on 18 April 2022.

3. Internal Audit

- (a) Reviewed and assessed the adequacy of the scope and areas of coverage of the Group’s internal audit plan and the proposed internal audit fee for the FYE 31 December 2022 to ensure comprehensive coverage over the activities of AIM Group and made the necessary recommendations to the Board for approval;
- (b) Reviewed the internal audit reports presented by the Internal Auditors and considered the audit findings on the areas of concern and recommendations highlighted by the Internal Auditors to improve any identified weaknesses in the system of internal control or non-compliance issues and the respective Management responses thereto;
- (c) Reviewed the progress updates on the follow-up review of the previous internal audit reports reported by the Internal Auditors to ensure that all highlighted key risks and control weaknesses are being properly addressed;
- (d) Reviewed the effectiveness of the Group’s risk management and internal control system; and
- (e) Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors for the FYE 31 December 2022 and ensured that they have the necessary authority to carry out their work.

4. Forensic Audit

- (a) Reviewed the Phase 1 forensic audit reports presented by the Forensic Auditors about the chronology of key events, their observations and cause of fraud; and
- (b) Reviewed the Phase 2 forensic audit reports presented by the Forensic Auditors and considered the factors contributing to the conduct of fraudulent activity and recommended remedy actions.

AUDIT COMMITTEE REPORT

5. Recurrent Related Party Transactions and Related Party Transactions

The AC reviewed the report of Recurrent Related Party Transactions (“RRPT”) and/or Related Party Transactions (“RPT”) of the Group tabled at every AC quarterly meeting and discussed on the possible conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that may raises questions on management integrity, if any, to ensure that:

- (a) Transactions with related parties and/or interested persons, if any, 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, if any, are fair and reasonable and are not detrimental to the minority shareholders.

The AC was satisfied that the processes that the Group has in place for identifying, evaluating, approving, reporting and monitoring of RRPT and/or RPT were adequate to ensure all the transactions have been made 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 interest of the Group or its minority shareholders and will be tracked and reported in a timely manner.

Nonetheless, the Group did not have any RRPT and RPT transacted during the financial year under review.

6. Other Activities

- (a) Reviewed the Company’s compliance with the ACE LR, applicable approved financial reporting standards and other relevant legal and regulatory requirements;
- (b) Reviewed corporate governance practices adopted by the Group based on the latest Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia;
- (c) Reviewed the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control before recommending the same to the Board for approval and inclusion into the Annual Report of the Company; and
- (d) Report to the Board on its other activities as well as significant findings and results.

INTERNAL AUDIT FUNCTION

The AC is supported by an independent outsourced internal audit function, carried out by an established consulting company specialised in internal audit services namely IA Essential Sdn Bhd (“IA Essential”) 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 internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care. IA Essential carries out their review procedures in accordance with the applicable standards of the International Professional Practices Framework as adopted and recommended by The Institute of Internal Auditors Malaysia, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

AUDIT COMMITTEE REPORT

IA Essential also acts as the Internal Auditors of the Group and of the Company, 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 areas 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 highlighted by the Internal Auditors. This is to provide reasonable assurance that such internal control system continues to operate satisfactorily and effectively within the Group.

For FYE 31 December 2022, the IA Essential engagement team personnel have affirmed to the AC that in relation to the Company or the Group, they are free from any relationships or conflicts of interest, which could impair their objectivity and independency of the internal audit function, and does not have any direct operational responsibility or authority over any of the activities audited. As such, the AC is of the opinion that the internal audit function is effective and is able to function independently.

1. Summary of Works of the Internal Audit Function for the FYE 31 December 2022

For the FYE 31 December 2022, the following activities were undertaken by the Internal Auditors:

- (a) Tabled the Internal Audit Plan for the FYE 31 December 2022 for AC's review and endorsement;
- (b) Conducted internal audit reviews based on the approved internal audit plan and performed follow-up reviews on previously reported findings and status update of the implementation of their recommendations by Management;
- (c) Issued internal audit reports incorporating audit recommendations and Management's responses in relation to the audit findings on the areas of improvement in the systems and controls of the Group to the AC and Management;
- (d) Presented internal audit reports which consist of the audit findings and corrective actions to be taken by Management to the AC for review and consideration;
- (e) Ensured that those identified weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were implemented appropriately by Management within the required timeframe;
- (f) Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary; and
- (g) Reviewed the Group's compliance with policies, procedures and standards as well as relevant external rules and regulations.

For further details on the risk management, internal controls and internal audit functions of the Company and the Group, please refer to the Statement on Risk Management and Internal Control on pages 34 to 37 in this Annual Report.

2. Total Costs incurred for FYE 31 December 2022

The total costs incurred by the Company in respect of the outsourced internal audit function of the Group and the internal audit services performed by IA Essential for the FYE 31 December 2022 was approximately RM24,000 (FYE2021: RM22,000).

The AC Report was presented and approved by the Board on 14 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Advance Information Marketing Berhad (“the Company”) is pleased to present the 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 (“FYE”) 31 December 2022, 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 RESPONSIBILITIES

The Board acknowledges its overall responsibility in identifying the principle risks of the business that the Group is engaged in and ensure implementation of appropriate control measures to manage the risks, as well as review the adequacy, integrity and effectiveness of the Group’s internal control system and processes in place. The Board is committed towards maintaining a sound system of risk management and internal control in achieving its business objectives and operational efficiency.

The Board has, through its Audit Committee (“AC”) and Risk Management Committee (“RMC”), established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process includes establishing the risk appetite which the Group is willing to accept in pursuit of its business and strategic objectives, as well as enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process and the adequacy and effectiveness of the system of risk management and internal control are reviewed by the AC, RMC and the Board on a periodic basis.

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 the Group’s risk management and internal control system is designed to manage rather than eliminate the risks and to provide reasonable but not absolute assurance against material misstatement of financial information, errors, losses, fraud or unforeseen emerging risks. Therefore, a sound system of internal control could only 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.

The Board is regularly informed on the effectiveness of the risk management and internal control system of the Group and is of the view that it is sound and adequate to safeguard the stakeholders’ interest and the Group’s assets.

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, so as to put in place of the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a tolerance level acceptable by the Board. They are also entrusted to identify and manage risks of their respective areas of responsibilities, to ensure that adequate control systems are implemented to mitigate risks faced by the Group. In the periodic management meetings, key risks and mitigating controls are deliberated. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group’s business objectives, to which risk control actions are designed and implemented based on the aforesaid sequence of priority. Significant risks affecting the Group’s strategic and business plans are escalated to the Board at their scheduled meetings.

The Board confirms that the abovesaid risk management process is in place for the financial year under review and up to the date of issuance of this SORMIC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

- The RMC has been set up to constantly identify, evaluate and monitor significant risks faced by the Group. The RMC 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 Group's business and 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 AC reviews and discuss with Management the unaudited quarterly financial results and audited financial statements to monitor on the Group's performance and to recommend the same to the Board for approval;
- The AC also discusses with the External Auditors on the key concerns and findings on financial and internal control matters during the audit planning, interim and final stage of the Group's audit, as well as the follow-up actions by Management; 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"), an independent consulting company specialised in internal audit services. Functionally, the Internal Auditors report directly to the AC. Scheduled internal audits were carried out and the internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management actions were reported to the AC. These findings were deliberated together with Management at the AC meetings.

The AC assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board, in particular, the matters relating to significant risks and the necessary recommendations for changes. The AC had also reviewed and approved the internal audit plan for each financial year, entailing the scope of work and audit coverage 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During the financial year under review, the Internal Auditors performed an internal audit review on management control in Fulfilment and Call Centre Operations functions of Angkara Setia Development Sdn Bhd ("ASD"), a wholly-owned subsidiary operating in Malaysia in accordance with the Group's internal audit plan approved by the AC. The scope of review on the internal control of the Fulfilment and Call Centre Operations functions of ASD covers the following business processes:-

1. With regards to the Fulfilment function:

- (i) the users' access control in the ordering system;
- (ii) the procedures of monitoring, receiving, recording and issuing of orders;
- (iii) the delivery tracking, fulfilment of orders and reconciliation of order fulfilled with clients;
- (iv) the safeguarding and recording of stocks; and
- (v) the billing process.

2. With regards to the Call Centre function:

- (i) the recording and feedback of customer complaints; and
- (ii) the compliance of standard operating procedures, job description and key performance indicators achievement for call centre services.

In addition, the Internal Auditor had also performed a follow-up audit review on Management's status of implementation of action plan in respect of the previously reported audit findings of PT CLS System, the wholly-owned subsidiary of the Company operating in Jakarta, Indonesia in 2021 Internal Audit report on PT CLS System ("PTCLS"), the wholly-owned subsidiary operating in Jakarta, Indonesia. Based on their review, Management had identified the further actions for tightening the control lapses noted in the reviewed areas, with majority of the issues being addressed and resolved.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Management is responsible for assisting the Board in identifying risks relevant to the business and operation 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 to meet the Group's objectives, 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 FYE 31 December 2022, 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 up to the date of approval of this SORMIC, the Board, with the assurance from the Executive Director and CEO, is satisfied that the existing risk management and internal control system in place is adequate and effective to safeguard the Group's interests and mitigating identified risks, to enable the Group to achieve its business objectives. There were also no material losses arising from any 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.

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.

The Board recognises that the development of the system of risk management and internal control is an ongoing process as part of its efforts in managing the risks faced by the Group and to meet the changing and challenging business environment. Consequently, the Board would review and further strengthen the control environment within the Group on a continuous basis.

This SORMIC was presented and approved by the Board on 14 April 2023.

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 ("FYE") 31 December 2022 were as follows:

	Company (RM)	Group (RM)
Audit Fee for Services Rendered by UHY	50,000	85,593
Non-Audit Fee for Services Rendered by UHY:		
(a) Review of Statement on Risk Management and Internal Control	5,000	5,000

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 during the FYE 31 December 2022.

4. UTILISATION OF PROCEEDS

The Company did not raise any funds from any corporate proposal during the FYE 31 December 2022.

The Company had on 17 February 2023, announced its first and final tranche of Private Placement of a total of 26,605,000 new ordinary shares, which had raised a gross proceeds of RM2,045,925.

The status of utilisation of proceeds raised from the Private Placement as at 31 March 2023 is as follows:

Details of utilisation	Proposed utilisation RM'000	Amount utilised RM'000	Expected timeframe for utilisation of proceeds <i>(from the listing date of the Placement Shares)</i>
Working capital	967	950	Within 24 months
Upgrade the information technology-related equipment and systems	1,017	-	Within 24 months
Expenses for the Private Placement	62	62	Immediately
Total	2,046	1,012	

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company for eligible Directors and employees of the Group is in force for a period of five (5) years commencing 22 July 2022 and is governed by its By-Laws approved by the shareholders of the Company at the Extraordinary General Meeting held on 23 June 2022.

There was no ESOS options granted, exercised and outstanding since its commencement up to FYE 31 December 2022.

6. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

During the financial year under review, the Group has not entered into any recurrent related party transactions of a revenue or trading nature.



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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 2022.

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	4,442,604	5,094,747

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.

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.

Dividend

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.

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*	
Dato' Kang Chez Chiang	(Resigned on 31 October 2022)
Choong Mun Kit	
Kang Teik Yih	
Mejar Dato' Ismail Bin Ahmad	
Ong Poh Lin Abdullah	(Appointed on 17 October 2022)

* 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 1.1.2022	Bought	Sold	At 31.12.2022
Interests in the Company Direct Interests				
Mak Siew Wei	71,743,416	-	-	71,743,416
Choong Mun Kit	-	30,000	-	30,000

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 of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in the 'Directors' Remuneration' of this report 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 he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

Directors' Remuneration

The details of the Directors' remuneration paid/payable to the Directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Executive Directors		
- Salaries and other emoluments	360,000	180,000
- Defined contribution plans	43,200	21,600
- Social security contributions	2,004	1,002
	405,204	202,602
Non-Executive Directors		
- Fees	289,161	289,161
- Salaries	14,993	-
- Other benefits	35,000	35,000
	339,154	324,161
Total	744,358	526,763

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 RM3,000,000 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:
- 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
 - 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:
- 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
 - which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - 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
 - which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group 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.

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' Remuneration

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit:		
- UHY	61,000	50,000
- member firms of UHY International	24,593	-
- Non-statutory audit	5,000	5,000
	90,593	55,000

DIRECTORS' REPORT

Auditors

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

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

14 April 2023

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 requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 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

14 April 2023

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE

FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, See Hui Fang (MIA Membership No: 48601), 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.

SEE HUI FANG

Subscribed and solemnly declared by the abovenamed See Hui Fang at Kuala Lumpur in the Federal Territory, this 14 April 2023.

Before me,

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 2022 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 49 to 117.

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 2022, 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)

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: (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 complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or 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: 02239/07/2024 J
Chartered Accountant

KUALA LUMPUR

14 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	4,364,765	4,445,296	1,912	2,498
Right-of-use assets	5	1,551,469	1,417,137	-	-
Intangible assets	6	130,148	100,172	-	-
Investments in subsidiary companies	7	-	-	2	541,694
Other investments	8	4,137,400	3,482,616	4,137,400	3,482,616
Deferred tax assets	9	50,039	70,864	-	-
Amount due from a subsidiary company	10	-	-	-	1,183,542
		10,233,821	9,516,085	4,139,314	5,210,350
Current assets					
Inventories	11	227,712	97,532	-	-
Trade receivables	12	173,073	836,570	-	-
Other receivables	13	102,825	190,128	11,340	110,118
Amount due from subsidiary companies	10	-	-	479,121	107,276
Tax recoverable		39,493	21,978	-	-
Deposits, bank and cash balances	14	566,952	4,074,826	154,754	2,807,063
Liquid investment		28,184	1,002,394	28,184	1,002,394
		1,138,239	6,223,428	673,399	4,026,851
Total assets		11,372,060	15,739,513	4,812,713	9,237,201
EQUITY					
Share capital	15	28,051,999	28,051,999	28,051,999	28,051,999
Treasury shares	16	-	-	-	-
Reserves	17	(19,347,296)	(15,525,150)	(23,634,114)	(19,194,151)
Total equity		8,704,703	12,526,849	4,417,885	8,857,848
LIABILITIES					
Non-current liabilities					
Loans and borrowings	18	1,471,853	1,482,250	-	-
Lease liabilities	19	217,245	-	-	-
Employee benefits	20	171,747	266,405	-	-
		1,860,845	1,748,655	-	-
Current liabilities					
Loans and borrowings	18	65,476	721,881	-	-
Lease liabilities	19	62,050	8,916	-	-
Trade payables	21	198,233	222,999	-	-
Other payables	22	480,753	510,213	394,828	379,353
		806,512	1,464,009	394,828	379,353
Total liabilities		2,667,357	3,212,664	394,828	379,353
Total equity and liabilities		11,372,060	15,739,513	4,812,713	9,237,201

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 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	23	3,438,165	7,751,671	-	-
Cost of sales		(3,075,937)	(6,798,490)	-	-
Gross profit		362,228	953,181	-	-
Other income		74,358	168,448	536,212	153,647
Net loss on impairment of financial instruments		-	-	(2,691,178)	-
Administrative expenses		(4,643,699)	(6,173,291)	(2,939,781)	(3,126,442)
Distribution costs		(34,317)	(36,486)	-	-
Other expenses		(43,010)	(7,564)	-	-
Loss from operations		(4,284,440)	(5,095,712)	(5,094,747)	(2,972,795)
Finance costs	24	(149,131)	(91,392)	-	-
Loss before tax	25	(4,433,571)	(5,187,104)	(5,094,747)	(2,972,795)
Taxation	26	(9,033)	25,553	-	-
Loss for the financial year		(4,442,604)	(5,161,551)	(5,094,747)	(2,972,795)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability	20	48,812	173,410	-	-
Income tax relating to remeasurement of defined benefit liability	26	(10,739)	(38,150)	-	-
		38,073	135,260	-	-
Items that are or may be reclassified subsequently to profit or loss					
Equity instruments measured at fair value through other comprehensive income		654,784	(5,673,883)	654,784	(5,673,883)
Exchange translation differences for foreign operations		(72,399)	71,735	-	-
		582,385	(5,602,148)	654,784	(5,673,883)
Other comprehensive income/(loss) for the financial year		620,458	(5,466,888)	654,784	(5,673,883)
Total comprehensive loss for the financial year		(3,822,146)	(10,628,439)	(4,439,963)	(8,646,678)
Loss for the financial year attributable to:					
Owners of the parent		(4,442,604)	(5,161,551)	(5,094,747)	(2,972,795)
Total comprehensive loss attributable to:					
Owners of the parent		(3,822,146)	(10,628,439)	(4,439,963)	(8,646,678)
Loss per share (sen)					
Basic and diluted loss per share	27	(1.67)	(1.94)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Attributable to owners of the parent				
	Non-distributable			Distributable	
	Share capital RM	Fair value reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022	28,051,999	(1,409,522)	(724,373)	(13,391,255)	12,526,849
Loss for the financial year	-	-	-	(4,442,604)	(4,442,604)
Other comprehensive income/(loss) for the financial year	-	654,784	(72,399)	38,073	620,458
Total comprehensive loss for the financial year	-	654,784	(72,399)	(4,404,531)	(3,822,146)
At 31 December 2022	28,051,999	(754,738)	(796,772)	(17,795,786)	8,704,703

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
At 1 January 2021	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 (loss)/income for the financial year	-	-	(5,673,883)	71,735	135,260	(5,466,888)
Total comprehensive loss for the financial year	-	-	(5,673,883)	71,735	(5,026,291)	(10,628,439)
At 31 December 2021	28,051,999	-	(1,409,522)	(724,373)	(13,391,255)	12,526,849

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Company	Attributable to owners of the parent			
	Non-distributable		Distributable	
	Share capital RM	Fair value reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022	28,051,999	(1,409,522)	(17,784,629)	8,857,848
Loss for the financial year	-	-	(5,094,747)	(5,094,747)
Other comprehensive income for the financial year	-	654,784	-	654,784
Total comprehensive loss for the financial year	-	654,784	(5,094,747)	(4,439,963)
At 31 December 2022	28,051,999	(754,738)	(22,879,376)	4,417,885

Company	Attributable to owners of the parent				
	Non-distributable		Distributable		Total equity RM
	Share capital RM	Treasury shares RM	Fair value reserve RM	Accumulated losses RM	
At 1 January 2021	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 loss for the financial year	-	-	(5,673,883)	-	(5,673,883)
Total comprehensive loss for the financial year	-	-	(5,673,883)	(2,972,795)	(8,646,678)
At 31 December 2021	28,051,999	-	(1,409,522)	(17,784,629)	8,857,848

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash Flows from Operating Activities					
Loss before tax		(4,433,571)	(5,187,104)	(5,094,747)	(2,972,795)
Adjustments for:					
Amortisation of intangible assets		41,429	11,353	-	-
Defined benefit obligations		(5,053)	117,746	-	-
Depreciation of:					
- property, plant and equipment		222,895	256,161	586	531
- right-of-use assets		115,926	97,355	-	-
Dividend on money market fund		-	(2,394)	-	(2,394)
Fair value gain on money market fund		(26,159)	-	(26,159)	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		(11,723)	-	-	-
- investment in quoted shares		-	73,124	-	73,124
Impairment loss on:					
- amount due from subsidiary companies		-	-	2,691,178	-
- investment in subsidiary company		-	-	541,693	-
Property, plant and equipment written off		-	4,043	-	-
Finance costs		149,131	91,392	-	-
Finance income		(8,304)	(46,420)	(4,481)	(40,564)
Unrealised (gain)/loss on foreign exchange		(161)	(118)	181,746	(82,577)
Operating loss before working capital changes		(3,955,590)	(4,584,862)	(1,710,184)	(3,024,675)



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Operating loss before working capital changes (Cont'd)		(3,955,590)	(4,584,862)	(1,710,184)	(3,024,675)
Changes in working capital:					
Inventories		(130,180)	501,529	-	-
Receivables		750,800	1,215,181	98,778	(99,471)
Payables		(54,226)	(104,705)	15,475	296,439
Cash used in operations		(3,389,196)	(2,972,857)	(1,595,931)	(2,827,707)
Employee benefits paid		(36,007)	(1,595)	-	-
Interest received		8,304	46,420	4,481	40,564
Interest paid		(149,131)	(91,392)	-	-
Tax paid		(17,515)	(45,483)	-	-
Net cash used in operating activities		(3,583,545)	(3,064,907)	(1,591,450)	(2,787,143)
Cash Flows from Investing Activities					
Acquisition of:					
- intangible assets	6	(72,889)	(74,014)	-	-
- property, plant and equipment	4	(199,938)	(29,349)	-	(1,649)
Investment in a subsidiary company		-	-	(1)	-
Advances to subsidiary companies		-	-	(2,061,227)	-
Net changes in deposits not for short-term funding requirement		1,309,437	1,201,049	1,309,437	1,201,049
Proceeds from disposal of property, plant and equipment		66,551	-	-	-
Proceeds from redemption of money market fund		1,000,369	-	1,000,369	-
Investment in money market fund		-	(1,000,000)	-	(1,000,000)
Net cash from investing activities		2,103,530	97,686	248,578	199,400

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash Flows from Financing Activities					
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		(666,802)	(15,734)	-	-
Repayment to subsidiary company		-	-	-	(107,275)
Payment of lease liabilities		(23,824)	(26,324)	-	-
Net cash (used in)/from financing activities		(690,626)	4,201,910	-	3,480,569
Net (decrease)/increase in cash and cash equivalents		(2,170,641)	1,234,689	(1,342,872)	892,826
Cash and cash equivalents at the beginning of the financial year		2,765,389	1,458,965	1,497,626	604,800
Effect of exchange translation differences on cash and cash equivalents		(27,796)	71,735	-	-
Cash and cash equivalents at the end of the financial year		566,952	2,765,389	154,754	1,497,626
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	14	566,952	2,765,389	154,754	1,497,626
Deposits with licensed bank	14	-	1,309,437	-	1,309,437
		566,952	4,074,826	154,754	2,807,063
Less: Deposits not for short-term funding requirements	14	-	(1,309,437)	-	(1,309,437)
		566,952	2,765,389	154,754	1,497,626

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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 is located at A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur. With effect from 30 November 2022, the Company's registered office has been changed to A3-3-8, 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 MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Annual Improvements to MFRS Standard 2018 – 2020	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

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 2022

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

		Effective dates for financial periods beginning on or after
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 101	Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
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 new and 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 2022

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 and the Company'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 buildings and shoplot 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 2022

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (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 2022

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 2022, the Group has tax recoverable of RM39,493 (2021: RM21,978).

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(b) Foreign currency translation (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

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

(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 2022

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
Shoplot	4 years
Office equipment	4 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 2022

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 as follows:

(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 2022

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.

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 2022

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 2022

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 2022

3. Significant Accounting Policies (Cont'd)

(m) Share capital

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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(o) Employee benefits (Cont'd)

(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.

(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.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(p) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

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 2022

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 are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is 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 2022

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 as 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

31 DECEMBER 2022

4. Property, Plant and Equipment

Group 2022	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
Cost									
At 1 January	2,400,000	1,029,000	16,700	760,201	471,172	439,211	1,011	1,466,494	6,583,789
Additions	-	-	105,520	17,986	18,580	-	-	57,852	199,938
Disposals	-	-	-	-	(19,072)	(100,830)	-	-	(119,902)
Foreign currency translation differences	-	-	-	-	(12,642)	(3,801)	-	(1,026)	(17,469)
At 31 December	2,400,000	1,029,000	122,220	778,187	458,038	334,580	1,011	1,523,320	6,646,356
Accumulated depreciation									
At 1 January	-	107,795	11,862	744,340	402,388	381,039	-	491,069	2,138,493
Charge for the financial year	-	33,380	3,813	5,927	45,896	1,018	-	132,861	222,895
Disposals	-	-	-	-	(19,457)	(45,617)	-	-	(65,074)
Foreign currency translation differences	-	-	-	-	(12,512)	(1,860)	-	(351)	(14,723)
At 31 December	-	141,175	15,675	750,267	416,315	334,580	-	623,579	2,281,591
Carrying amount									
At 31 December	2,400,000	887,825	106,545	27,920	41,723	-	1,011	899,741	4,364,765



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

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
Cost									
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 right-of-use assets	-	-	-	-	-	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
Accumulated depreciation									
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 right-of-use assets	-	-	-	-	-	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
Carrying amount									
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

31 DECEMBER 2022

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

Company 2022	Computer system RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost						
At 1 January/31 December	688,633	960	12,889	249,950	150,000	1,102,432
Accumulated depreciation						
At 1 January	687,259	143	12,582	249,950	150,000	1,099,934
Charge for the financial year	330	96	160	-	-	586
At 31 December	687,589	239	12,742	249,950	150,000	1,100,520
Carrying amount						
At 31 December	1,044	721	147	-	-	1,912



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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
Cost						
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
Accumulated depreciation						
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
Carrying amount						
At 31 December	1,374	817	307	-	-	2,498

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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	
	2022 RM	2021 RM
Freehold land	2,400,000	2,400,000
Freehold building	887,825	921,205
	3,287,825	3,321,205

5. Right-of-Use Assets

Group 2022	Leasehold land and building RM	Office equipment and motor vehicle RM	Total RM
Cost			
At 1 January	1,813,821	39,783	1,853,604
Addition	294,203	-	294,203
Disposal	-	(39,783)	(39,783)
Foreign currency translation differences	(60,000)	-	(60,000)
At 31 December	2,048,024	-	2,048,024
Accumulated depreciation			
At 1 January	405,332	31,135	436,467
Charge for the financial year	107,278	8,648	115,926
Disposal	-	(39,783)	(39,783)
Foreign currency translation differences	(16,055)	-	(16,055)
At 31 December	496,555	-	496,555
Carrying amount			
At 31 December	1,551,469	-	1,551,469

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

Group 2021	Leasehold land and building RM	Office equipment and motor vehicle RM	Total RM
Cost			
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
Accumulated depreciation			
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
Carrying amount			
At 31 December	1,408,489	8,648	1,417,137

The reclassification to property, plant and equipment in the previous financial year 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 2022

6. Intangible Assets

Group 2022	Computer Software RM	Franchise fees RM	Total RM
Cost			
At 1 January	121,470	-	121,470
Additions	22,889	50,000	72,889
Foreign currency translation differences	(4,091)	-	(4,091)
	140,268	50,000	190,268
Accumulated amortisation			
At 1 January	21,298	-	21,298
Amortisation for the financial year	38,929	2,500	41,429
Foreign currency translation differences	(2,607)	-	(2,607)
At 31 December	57,620	2,500	60,120
Carrying amount			
At 31 December	82,648	47,500	130,148

Group 2021	Computer Software RM
Cost	
At 1 January	46,481
Additions	74,014
Foreign currency translation differences	975
At 31 December	121,470
Accumulated amortisation	
At 1 January	9,660
Amortisation for the financial year	11,353
Foreign currency translation differences	285
At 31 December	21,298
Carrying amount	
At 31 December	100,172

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 (2021: 4 years). The franchise fees are amortised on a straight-line basis over the estimated useful life of 5 years (2021: Nil).

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7. Investments in Subsidiary Companies

	Company	
	2022 RM	2021 RM
In Malaysia:		
At cost		
Unquoted shares	3,888,423	3,888,422
Less: Accumulated impairment losses	(3,888,421)	(3,888,421)
	2	1
Outside Malaysia:		
At cost		
Unquoted shares	871,610	871,610
Less: Accumulated impairment losses	(871,610)	(329,917)
	-	541,693
	2	541,694

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

	Company	
	2022 RM	2021 RM
At 1 January	4,218,338	218,338
Impairment loss recognised	541,693	-
At 31 December	4,760,031	4,218,338

During the financial year, the Company carried out review of recoverable amounts of certain subsidiary company. An impairment loss on the investment amounting to RM541,693 was recognised in the statements of profit or loss and other comprehensive income.

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7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2022	2021	
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.
Advance Medipharm Solutions Sdn. Bhd.	Malaysia	100	-	Providing retail sales of pharmaceuticals, medical, orthopedic goods and other food products.

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

(a) Acquisition of subsidiary companies

The Company had on 7 September 2022 incorporated a wholly owned subsidiary company known as Advance Medipharm Solutions Sdn. Bhd. with a total issued share capital of RM1.

8. Other Investments

	Group and Company	
	2022 RM	2021 RM
At fair value		
Financial assets measured at fair value through other comprehensive income		
Quoted shares in Malaysia	4,092,400	3,437,616
At cost		
Golf club membership	45,000	45,000
	4,137,400	3,482,616
Market value of quoted shares	4,092,400	3,437,616

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

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9. Deferred Tax Assets

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	70,864	82,087	-	-
Recognised in profit or loss	(9,033)	25,553	-	-
Recognised in other comprehensive income	(10,739)	(38,150)	-	-
Effect of changes in exchange rates	(1,053)	1,374	-	-
At 31 December	50,039	70,864	-	-

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets	77,339	81,526	459	599
Deferred tax liabilities	(27,300)	(10,662)	(459)	(599)
	50,039	70,864	-	-

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
Deferred tax assets			
2022			
At 1 January	10,662	70,864	81,526
Recognised in profit or loss	(4,607)	(9,033)	(13,640)
Under provision in prior years	21,245	-	21,245
Recognised in other comprehensive income	-	(10,739)	(10,739)
Effect of changes in exchange rates	-	(1,053)	(1,053)
At 31 December	27,300	50,039	77,339
2021			
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

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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: (Cont'd)

	Group	
	2022 RM	2021 RM
Deferred tax liabilities		
Accelerated capital allowances		
At 1 January	(10,662)	(9,392)
Recognised in profit or loss	4,607	(1,270)
Under provision in prior years	(21,245)	-
At 31 December	(27,300)	(10,662)

	Company	
	2022 RM	2021 RM
Deferred tax assets		
Unabsorbed capital allowances		
At 1 January	599	331
Recognised in profit or loss	(140)	268
At 31 December	459	599
Deferred tax liabilities		
Accelerated capital allowances		
At 1 January	(599)	(331)
Recognised in profit or loss	140	(268)
At 31 December	(459)	(599)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unabsorbed capital allowances	612,407	609,797	519,862	519,276
Unutilised tax losses	9,379,468	8,635,278	2,727,433	2,727,433
	9,991,875	9,245,075	3,247,295	3,246,709

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

NOTES TO THE FINANCIAL STATEMENTS

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10. Amount Due from Subsidiary Companies

	Company	
	2022 RM	2021 RM
Amount due from subsidiary companies		
Non-Current		
<u>Non-trade related</u>		
Non-interest bearing	4,417,323	4,018,736
Less: Accumulated impairment losses	(4,417,323)	(2,835,194)
	-	1,183,542
Current		
<u>Trade related</u>		
Non-interest bearing	780,000	780,000
<u>Non-trade related</u>		
Non-interest bearing	7,927,855	6,446,961
	8,707,855	7,226,961
Less: Accumulated impairment losses	(8,228,734)	(7,119,685)
	479,121	107,276

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

	Company	
	2022 RM	2021 RM
At 1 January	9,954,879	9,954,879
Impairment loss recognised	2,691,178	-
At 31 December	12,646,057	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 RM2,691,178 (2021: Nil) 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.

NOTES TO THE FINANCIAL STATEMENTS

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11. Inventories

	Group	
	2022 RM	2021 RM
Merchandise and trading goods	227,712	97,532
Recognised in profit or loss:		
Inventories recognise as cost of sales	2,533,598	5,998,941

12. Trade Receivables

	Group	
	2022 RM	2021 RM
Trade receivables	175,177	838,749
Less: Accumulated impairment losses	(2,104)	(2,179)
	173,073	836,570

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 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	
	2022 RM	2021 RM
At 1 January	2,179	2,134
Foreign currency translation differences	(75)	45
At 31 December	2,104	2,179

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.

NOTES TO THE FINANCIAL STATEMENTS

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12. Trade Receivables (Cont'd)

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

Group	Gross Amount RM	Loss Allowance RM	Net Amount RM
2022			
Neither past due nor impaired	75,035	(303)	74,732
<i>Past due not impaired:</i>			
Less than 30 days	65,070	(689)	64,381
31 to 60 days	35,072	(1,112)	33,960
	100,142	(1,801)	98,341
	175,177	(2,104)	173,073
2021			
Neither past due nor impaired	722,127	(314)	721,813
<i>Past due not impaired:</i>			
Less than 30 days	55,719	(714)	55,005
31 to 60 days	26,779	(499)	26,280
61 to 90 days	34,124	(652)	33,472
	116,622	(1,865)	114,757
	838,749	(2,179)	836,570

As at 31 December 2022, trade receivables of RM98,341 (2021: RM114,757) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

13. Other Receivables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	9,027	7,808	-	3,778
Refundable deposits	45,420	20,665	6,340	6,340
Prepayments	48,378	161,655	5,000	100,000
	102,825	190,128	11,340	110,118

NOTES TO THE FINANCIAL STATEMENTS

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14. Deposits, Bank and Cash Balances

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	566,952	2,765,389	154,754	1,497,626
Fixed deposits with licensed banks	-	1,309,437	-	1,309,437
	566,952	4,074,826	154,754	2,807,063
Less: Deposits with tenures of more than 3 months	-	(1,309,437)	-	(1,309,437)
	566,952	2,765,389	154,754	1,497,626

The effective interest rates and maturities of fixed deposits of the Group and of the Company ranged from 3.15% (2021: 2.00% to 2.05%) and 1 month (2021: 1 to 12 months) respectively.

15. Share Capital

	Group and Company			
	Number of Ordinary Shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Ordinary shares with no par value				
Issued and fully paid:				
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.

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.

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.

In the previous financial 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.

NOTES TO THE FINANCIAL STATEMENTS

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17. Reserves

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable					
Fair value reserve	(a)	(754,738)	(1,409,522)	(754,738)	(1,409,522)
Foreign currency translation reserve	(b)	(796,772)	(724,373)	-	-
Distributable					
Accumulated losses		(17,795,786)	(13,391,255)	(22,879,376)	(17,784,629)
		(19,347,296)	(15,525,150)	(23,634,114)	(19,194,151)

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.

18. Loans and Borrowings

	Group	
	2022 RM	2021 RM
Secured		
Term loan	1,537,329	2,204,131
Non-current		
Term loan	1,471,853	1,482,250
Current		
Term loan	65,476	721,881
	1,537,329	2,204,131

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.

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31 DECEMBER 2022

18. Loans and Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	Group	
	2022 %	2021 %
Term loan	5.6	5.6

19. Lease Liabilities

	Group	
	2022 RM	2021 RM
At 1 January	8,916	35,240
Addition	294,203	-
Payments	(23,824)	(26,324)
At 31 December	279,295	8,916
Represented by:		
Non-current	217,245	-
Current	62,050	8,916
	279,295	8,916

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

	Group	
	2022 RM	2021 RM
Within one year	78,000	9,000
Later than one year and not later than two years	80,925	-
Later than two years and not later than five years	156,975	-
	315,900	9,000
Less: Future finance charges	(36,605)	(84)
Present value of lease liabilities	279,295	8,916

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.

NOTES TO THE FINANCIAL STATEMENTS

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20. Employee Benefits

	Group	
	2022 RM	2021 RM
Retirement benefits plans		
Present value of unfunded defined benefit obligations	171,747	266,405

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	
	2022 RM	2021 RM
At 1 January	266,405	317,416
Recognised in profit or loss	(5,053)	117,746
Benefits paid by the plan	(36,007)	(1,595)
Remeasurement recognised in other comprehensive income:		
- Effects of changes in financial assumptions	(48,812)	(173,410)
- Foreign exchange translation differences	(4,786)	6,248
At 31 December	171,747	266,405

Actuarial assumptions

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

	Group	
	2022 %	2021 %
Discount rate	7.26	7.55
Future average salary increases	5.00	5.00

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20. Employee Benefits (Cont'd)Sensitivity analysis

The effect of changes in the principal actuarial assumptions on the present value of unfunded obligations as at 31 December 2022 are as follows:

	Group	
	+1% RM	-1% RM
Increase/(Decrease) of present value of the unfunded obligations		
- Discount rate	36,059	(45,824)
- Expected salary	45,747	(36,035)

The above sensitivity analysis is 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.

21. Trade Payables

	Group	
	2022 RM	2021 RM
Trade payables	198,233	222,999

Credit terms of trade payables of the Group ranged from 30 to 60 days (2021: 30 to 60 days) depending on the terms of the contracts.

22. Other Payables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	274,713	317,743	253,460	268,591
Accruals	206,040	192,470	141,368	110,762
	480,753	510,213	394,828	379,353

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23. Revenue

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue form contracts with customers:				
Sales and services under customer loyalty programme	3,436,577	7,751,671	-	-
Retail sales of pharmaceuticals products	1,588	-	-	-
	3,438,165	7,751,671	-	-
Timing of revenue recognition:				
At a point in time	3,438,165	7,751,671	-	-

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

	2022 RM	2021 RM
Geographical market:		
Malaysia	621,491	1,088,664
Indonesia	2,816,674	6,663,007
Total revenue from contracts with customers	3,438,165	7,751,671

24. Finance costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expenses on:				
Lease liabilities	5,092	11,624	-	-
Term loan	144,039	79,768	-	-
	149,131	91,392	-	-

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25. Loss Before Tax

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
- statutory audits				
- UHY	61,000	59,000	50,000	50,000
- member firms of UHY International	24,593	24,063	-	-
- non-audit services	5,000	5,000	5,000	5,000
Amortisation of intangible assets	41,429	11,353	-	-
Defined benefit obligations	(5,053)	117,746	-	-
Depreciation of:				
- property, plant and equipment	222,895	256,161	586	531
- right-of-use assets	115,926	97,355	-	-
Fair value gain on money market fund	(26,159)	-	(26,159)	-
Gain on disposal of property, plant and equipment	(11,723)	-	-	-
Loss on derecognition of other investment	-	73,124	-	73,124
Lease expenses relating to short-term leases				
- car park	5,417	5,781	2,811	2,717
- office equipment	2,212	12,019	-	-
- premises	8,445	7,670	-	-
Foreign exchange loss/(gain):				
- realised	19,259	-	19,259	-
- unrealised	(161)	(118)	181,746	(82,577)
Dividend from money market fund	-	(2,394)	-	(2,394)
Interest income	(742)	(666)	(742)	(666)
Interest income from fixed deposits with licensed banks	(7,562)	(45,754)	(3,739)	(39,898)
Interest income from subsidiary companies	-	-	(504,815)	-
Impairment loss on investment in subsidiary company	-	-	541,693	-
Non-executive Directors' remunerations				
- fees	289,161	189,623	289,161	189,623
- salaries	14,993	-	-	-
- other benefits	35,000	44,000	35,000	44,000
Net loss on impairment of financial instruments:				
- impairment loss on amount due from subsidiary companies	-	-	2,691,178	-
	-	-	2,691,178	-
Property, plant and equipment written off	-	4,043	-	-

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26. Taxation

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Tax expense recognised in profit or loss				
Current tax	-	-	-	-
Deferred tax (Note 9)				
- Origination and reversal of temporary differences	9,033	(25,553)	-	-
	9,033	(25,553)	-	-
Income tax relating to items of other comprehensive income that will not be reclassified to profit or loss				
Income tax relating to gain on remeasurement of defined benefit liability	10,739	38,150	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before tax	(4,433,571)	(5,187,104)	(5,094,747)	(2,972,795)
At Malaysian statutory tax rate of 24% (2021: 24%)	(1,064,057)	(1,244,905)	(1,222,739)	(713,471)
Effects of different tax rates in other jurisdictions	(28,923)	(31,180)	-	-
	(1,092,980)	(1,276,085)	(1,222,739)	(713,471)
Expenses not deductible for tax purposes	929,095	1,208,650	1,228,876	740,164
Income not subject to tax	(6,315)	(26,425)	(6,278)	(26,425)
Utilisation of previously unrecognised deferred tax assets	-	-	-	(268)
Deferred tax assets not recognised	179,233	68,307	141	-
	9,033	(25,553)	-	-

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26. Taxation (Cont'd)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Unabsorbed capital allowances	726,157	654,224	521,774	521,774
Unutilised tax losses	9,379,468	8,723,799	2,727,433	2,727,433
	10,105,625	9,378,023	3,249,207	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.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses to be carried forward until year of assessment:				
- 2028	7,664,206	7,664,206	2,727,433	2,727,433
- 2029	493,920	493,920	-	-
- 2030	205,943	205,943	-	-
- 2031	359,730	359,730	-	-
- 2032	655,669	-	-	-
	9,379,468	8,723,799	2,727,433	2,727,433

NOTES TO THE FINANCIAL STATEMENTS

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27. Loss Per Share

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss 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	
	2022 RM	2021 RM
Loss attributable to owners of the parent	(4,442,604)	(5,161,551)
Weighted average number of ordinary shares in issue (Units)		
Issued ordinary shares at 1 January/31 December	266,058,666	266,058,666
Basic loss per share (sen)	(1.67)	(1.94)

(b) Diluted loss per share

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

28. Staff Costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages and other emoluments	2,142,404	2,670,034	624,634	854,855
Defined contribution plans	131,611	141,437	60,303	74,883
Social security contributions	71,566	64,962	3,649	4,382
Other benefits	42,167	58,924	7,923	16,546
Defined benefit obligations	(5,053)	117,746	-	-
	2,382,695	3,053,103	696,509	950,666

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28. Staff Costs (Cont'd)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Salaries and other emoluments	360,000	269,465	180,000	227,852
Defined contribution plans	43,200	21,974	21,600	16,970
Social security contributions	2,004	1,624	1,002	1,417
	405,204	293,063	202,602	246,239
Directors of the subsidiary companies				
Salaries and other emoluments	-	243,643	-	-
	405,204	536,706	202,602	246,239

29. Financial Guarantee

	Company	
	2022 RM	2021 RM
Unsecured		
Corporate guarantee given to financial institutions for banking facilities granted to subsidiary company		
- Limit of guarantees	1,600,000	1,600,000
- Amount utilised	1,537,329	1,548,007

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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:

Group	Non-cash changes			At 31 December RM
	At 1 January RM	New lease Note 19 RM	Financing cash flows RM	
2022				
Lease liabilities (Note 19)	8,916	294,203	(23,824)	279,295
Term loan (Note 18)	2,204,131	-	(666,802)	1,537,329
	2,213,047	294,203	(690,626)	1,816,624
2021				
Lease liabilities (Note 19)	35,240	-	(26,324)	8,916
Term loan (Note 18)	1,563,741	-	640,390	2,204,131
	1,598,981	-	614,066	2,213,047

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.

(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	
	2022 RM	2021 RM	2022 RM	2021 RM
(i) Transactions with subsidiary companies				
- Interest income	-	-	504,815	-

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31. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries and other emoluments	668,668	388,226	414,000	277,613
Defined contribution plans	66,900	38,242	45,300	33,238
Social security contributions	3,006	1,407	2,004	1,176
	738,574	427,875	461,304	312,027

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"> Sales and marketing services. Client relationship management. Outsourced contact centre management.
Others	<ul style="list-style-type: none"> Outsourced procurement services, retail sales of pharmaceuticals products, investment holding and corporate level activities.

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

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.

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32. Segment Information (Cont'd)

(a) Business segment

	Managed customer loyalty services RM	Others RM	Consolidated RM
2022			
Revenue			
Total revenue - external customers	3,436,577	1,588	3,438,165
Results			
Segment results	(1,848,492)	(2,444,252)	(4,292,744)
Finance income	3,823	4,481	8,304
Finance cost	(144,539)	(4,592)	(149,131)
Loss before tax	(1,989,208)	(2,444,363)	(4,433,571)
Taxation	(9,033)	-	(9,033)
Loss for the financial year	(1,998,241)	(2,444,363)	(4,442,604)
Assets and liabilities			
Segment assets	6,262,540	5,109,520	11,372,060
Included in the measurement of segment assets are:			
Capital expenditure relating to:			
- property, plant and equipment	22,358	177,580	199,938
- intangible assets	22,889	50,000	72,889
Segment liabilities	1,786,287	881,070	2,667,357
Other information			
Amortisation of intangible assets	38,929	2,500	41,429
Defined benefit obligations	(5,053)	-	(5,053)
Depreciation of:			
- property, plant and equipment	215,953	6,942	222,895
- right-of-use assets	97,538	18,388	115,926
Fair value gain on money market fund	-	(26,159)	(26,159)
Gain on disposal of property, plant and equipment	(11,723)	-	(11,723)
Unrealised gain on foreign exchange	(161)	-	(161)

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32. Segment Information (Cont'd)

(a) Business segment (Cont'd)

	Managed customer loyalty services RM	Others RM	Consolidated RM
2021			
Revenue			
Total revenue - external customers	7,751,671	-	7,751,671
Results			
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)
Assets and liabilities			
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
Other information			
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)

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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	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysia	621,491	1,088,664	8,790,643	7,807,859
Indonesia	2,816,674	6,663,007	1,443,178	1,708,226
	3,438,165	7,751,671	10,233,821	9,516,085

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
	2022 RM	2021 RM	
Customer A	1,446,256	1,265,052	Managed customer loyalty services
Customer B	553,409	953,382	Managed customer loyalty services
Customer C	367,533	835,778	Managed customer loyalty services

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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:

2022	At amortised cost RM	At FVTPL RM	At FVTOCI RM	Total RM
Financial assets				
Group				
Other investments	45,000	-	4,092,400	4,137,400
Trade receivables	173,073	-	-	173,073
Other receivables	54,447	-	-	54,447
Deposits, bank and cash balances	566,952	-	-	566,952
Liquid investment	-	28,184	-	28,184
	839,472	28,184	4,092,400	4,960,056
Financial liabilities				
Loans and borrowings	1,537,329	-	-	1,537,329
Lease liabilities	279,295	-	-	279,295
Trade payables	198,233	-	-	198,233
Other payables	480,753	-	-	480,753
	2,495,610	-	-	2,495,610

NOTES TO THE FINANCIAL STATEMENTS

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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)

2021	At amortised cost RM	At FVTPL RM	At FVTOCI RM	Total RM
Financial assets				
Group				
Other investments	45,000	-	3,437,616	3,482,616
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
	4,984,869	1,002,394	3,437,616	9,424,879
Financial liabilities				
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

2022	At amortised cost RM	At FVTPL RM	At FVTOCI RM	Total RM
Financial assets				
Company				
Other investments	45,000	-	4,092,400	4,137,400
Other receivables	6,340	-	-	6,340
Amount due from subsidiary companies	479,121	-	-	479,121
Deposits, bank and cash balances	154,754	-	-	154,754
Liquid investment	-	28,184	-	28,184
	685,215	28,184	4,092,400	4,805,799
Financial liability				
Company				
Other payables	394,828	-	-	394,828

NOTES TO THE FINANCIAL STATEMENTS

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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)

2021	At amortised cost RM	At FVTPL RM	At FVTOCI RM	Total RM
Financial assets				
Company				
Other investments	45,000	-	3,437,616	3,482,616
Other receivables	6,340	-	-	6,340
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
	4,149,221	1,002,394	3,437,616	8,589,231
Financial liability				
Other payables	379,353	-	-	379,353

(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 and deposits with banks. 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.



NOTES TO THE FINANCIAL STATEMENTS

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33. Financial Instruments (Cont'd)

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

(i) Credit risk (Cont'd)

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 company. The Company's maximum exposure in this respect is RM1,537,329 (2021: RM1,548,007), representing the outstanding banking facilities of the subsidiary company as at the end of the reporting period. There was no indication that any subsidiary company 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 2 customers (2021: 4 customers) that owed and accounted for approximately 83% (2021: 80%) of all the trade receivables outstanding. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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.

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
2022						
<u>Non-derivative financial liabilities</u>						
Term loan	164,976	164,976	164,976	1,898,752	2,393,680	1,537,329
Lease liabilities	78,000	80,925	156,975	-	315,900	279,295
Trade payables	198,233	-	-	-	198,233	198,233
Other payables	480,753	-	-	-	480,753	480,753
	921,962	245,901	321,951	1,898,752	3,388,566	2,495,610
2021						
<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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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
2022						
<u>Non-derivative financial liabilities</u>						
Other payables	394,828	-	-	-	394,828	394,828
Financial guarantee*	1,537,329	-	-	-	1,537,329	-
	1,932,157	-	-	-	1,932,157	394,828
2021						
<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

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

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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		
2022					
Deposits, bank and cash balances	3,007	20	23		3,050
2021					
Deposits, bank and cash balances	2,750	20	23		2,793

Company	Denominated in					Total RM
	USD RM	SGD RM	IDR RM	Others RM		
2022						
Deposits, bank and cash balances	3,007	20	-	23		3,050
Amount due from subsidiary companies	-	-	1,582,129	-		1,582,129
	3,007	20	1,582,129	23		1,585,179
2021						
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

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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.

		2022 Effect on loss before tax RM	2021 Effect on loss before tax RM
Change in currency rate RM			
Group			
USD	Strengthened 5% (2021: 5%)	150	138
	Weakend 5% (2021: 5%)	(150)	(138)
SGD	Strengthened 5% (2021: 5%)	1	1
	Weakend 5% (2021: 5%)	(1)	(1)
JPY	Strengthened 5% (2021: 5%)	1	1
	Weakend 5% (2021: 5%)	(1)	(1)
Company			
USD	Strengthened 5% (2021: 5%)	150	-
	Weakend 5% (2021: 5%)	(150)	-
SGD	Strengthened 5% (2021: 5%)	1	1
	Weakend 5% (2021: 5%)	(1)	(1)
IDR	Strengthened 5% (2021: 5%)	79,106	59,177
	Weakend 5% (2021: 5%)	(79,106)	(59,177)
Others	Strengthened 5% (2021: 5%)	1	1
	Weakend 5% (2021: 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.

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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:

	2022 RM	2021 RM
Group		
Fixed rate instruments		
Financial asset	-	1,309,437
Financial liability	(279,295)	(8,916)
	(279,295)	1,300,521
Floating rate instrument		
Financial liability	(1,537,329)	(2,204,131)
Company		
Fixed rate instrument		
Financial asset	-	1,309,437

Interest rate risk sensitivity analysisFair 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 RM15,373 (2021: RM22,041), 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.

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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 RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2022										
Group										
Financial assets										
Liquid Investment	28,184	-	-	28,184	-	-	-	-	28,184	28,184
Quoted shares	4,092,400	-	-	4,092,400	-	-	-	-	4,092,400	4,092,400
Company										
Financial assets										
Liquid Investment	28,184	-	-	28,184	-	-	-	-	28,184	28,184
Quoted shares	4,092,400	-	-	4,092,400	-	-	-	-	4,092,400	4,092,400
2021										
Group										
Financial assets										
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
Company										
Financial assets										
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

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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	
	2022 RM	2021 RM	2022 RM	2021 RM
Loans and borrowings	1,537,329	2,204,131	-	-
Less: deposits, cash and bank balances	(566,952)	(4,074,826)	(154,754)	(2,807,063)
	970,377	(1,870,695)	(154,754)	(2,807,063)
Total equity	8,704,703	12,526,849	4,417,885	8,857,848
Gearing ratio	0.18	N/A*	N/A*	N/A*

* The gearing ratio is not applicable as the Group and the Company 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, 25 August 2021, 30 November 2021, 27 January 2022, 30 March 2022, 31 May 2022, 5 August 2022, 27 December 2022 and 19 January 2023.

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35. Material Litigations (Cont'd)

The Court of Appeal has fixed 28 February 2023 to update the status of the Grounds of Judgement, 27 March 2023 to ensure compliance of Court's decisions and 11 April 2023 for hearing of appeal.

On 27 March 2023 via the Court's electronic filing system, the Appellant informed the Court that the Grounds of Judgment had not been obtained. The Court then vacated the hearing date on 11 April 2023 and fixed 17 August 2023 for hearing of the Appeal.

The Court further direct parties to file Written Submissions on or before 19 July 2023 and Written Submission in Reply on or before 2 August 2023. Case Management has been fixed on 2 August 2023 to ensure compliance with case management directions.

36. Significant Events

(a) 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). On 21 October 2022, the Company had obtained approval from Bursa for an extension of time of 6 months until 5 April 2023 to complete the implementation of the private placement.

On 17 February 2023, the Company had issued 26,605,000 new ordinary shares by private placement at an exercise price of RM0.0769 for a total cash consideration of RM2,045,925. Subsequent to the private placement, the Company's share capital was increased to 292,663,666 ordinary shares amounted to RM30,097,924.

(b) Multiple Proposals

On 21 November 2022, the Company announced the undertaking of proposed share consolidation, proposed rights issue and proposed diversification as follows:

- (i) Proposed consolidation of every 3 existing ordinary shares into 1 share;
- (ii) Proposed renounceable rights issue up to 319,268,664 new shares on the basis of 3 rights shares for every 1 consolidated share held on an entitlement date to be determined and 212,845,776 free detachable warrants on the basis of 2 warrants for every 3 rights shares subscribed;
- (iii) Proposed diversification of the principal activities of the Group to include the operation of pharmacies.

On 18 January 2023, the Company has obtained approval from Bursa for the multiple proposals. On 3 March 2023, the Company has obtained approval from its shareholders for the multiple proposals.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

36. Significant Events (Cont'd)

(b) Multiple Proposals (Cont'd)

On 17 March 2023, the Company has consolidated the existing 292,663,666 ordinary shares into 97,554,209 consolidated shares.

(c) Franchise agreement

On 6 October 2022, the wholly-owned subsidiary company of the Company, Advance Medipharma Solutions Sdn. Bhd., has entered into a franchise agreement with Mediconstant Holding Sdn. Bhd. ("the franchisor") for the purpose of obtaining rights to operate the business system of the franchisor in the retailing business of pharmaceutical products and services under the name of "Constant Pharmacy".

37. 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 14 April 2023.



LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

Summary of Landed Properties

The summary of information of the properties owned by AIM Group is as follows:-

Postal Address	Description of Property / Existing Use	Status / Registered Owner	Audited Net Book Value as at 31 December 2022 (RM)	Approximate age of Building (Years) / Date of Acquisition	Type of Land / Tenure (Year of Expiry for Leasehold)	Approximate Land Area / Approximate Total Build-up Area (Sq metre)
Ruko Hayam Wuruk Jalan Kebon Jeruk VII No.2 E Rt.010 RW 004 Maphar, Tamansari Jakarta Barat, Indonesia	Four-storey shophouse building without a lift / Office unit	Owned / PT CLS System	1,551,469	6 / 20 December 2017	20 years Leasehold / 29 November 2037	112 / 366
No. 18, Jalan Balam, 51100 Kuala Lumpur	Four-storey shop office with a lift / Office unit	Owned / Ankara Setia Development Sdn Bhd	3,287,825	44 / 30 October 2017	Freehold	312 / 1252

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Total Number of Issued Shares : **97,554,209**
 Class of Shares : Ordinary Shares
 Voting Rights : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	355	29.46	6,918	0.01
100 – 1,000	137	11.37	67,187	0.07
1,001 – 10,000	436	36.18	1,972,776	2.02
10,001 – 100,000	216	17.93	6,393,619	6.55
100,001 – Less than 5% of issued shares	56	4.65	24,238,902	24.85
5% and above of issued shares	5	0.41	64,874,807	66.50
Total	1,205	100.00	97,554,209	100.00

SUBSTANTIAL SHAREHOLDERS

(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	23,914,472	24.51	-	-
2.	CG Assets Pte Ltd	15,792,940	16.19	-	-
3.	Ang Huat Keat	-	-	15,792,940*	16.19
4.	Ngai Yoon Fatt	-	-	15,792,940*	16.19
5.	Chong Loong Men	7,632,396	7.82	-	-
6.	H'ng Bok Chuan	8,868,333	9.09	-	-

Note:-

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

DIRECTORS' SHAREHOLDINGS

(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.	Mak Siew Wei	23,914,472	24.51	-	-
3.	Mejar Dato' Ismail Bin Ahmad	-	-	-	-
4.	Kang Teik Yih	-	-	-	-
5.	Choong Mun Kit	10,000	0.01	-	-
6.	Ong Poh Lin Abdullah	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS

(According to the Record of Depository)

No.	Name of Shareholders	No. of Shares Held	%
1.	MAK SIEW WEI	23,914,472	24.51
2.	CG ASSETS PTE LTD	15,792,940	16.19
3.	M & A NOMINEE (TEMPATAN) SDN BHD - SANSTON FINANCIAL GROUP LIMITED FOR H'NG BOK CHUAN	8,868,333	9.09
4.	AFFIN HWANG NOMINEES (ASING) SDN BHD - EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	8,666,666	8.88
5.	M & A NOMINEE (TEMPATAN) SDN BHD - SANSTON FINANCIAL GROUP LIMITED FOR CHONG LOONG MEN	7,632,396	7.82
6.	AFFIN HWANG NOMINEES (ASING) SDN BHD - DBS VICKERS SECS (S) PTE LTD FOR KGI SECURITIES (SINGAPORE) PTE. LTD.	3,700,000	3.79
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ERIC TAN CHWEE KUANG	1,516,666	1.55
8.	CARTABAN NOMINEES (ASING) SDN BHD - BARCLAYS BANK PLC (RE EQUITIES)	1,512,200	1.55
9.	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR BNP PARIBAS (LONPBCLR-3PTY)	1,195,866	1.23
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	1,100,000	1.13
11.	SEAN KOH WEI ZHONG	1,000,000	1.03
12.	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	829,903	0.85
13.	QUEK JIA YI	816,666	0.84
14.	TIU KEE GUAN	730,000	0.75
15.	TAN YOKE THENG	678,200	0.70
16.	PANG MEI CHEA @ SEE KIEW	550,000	0.56
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR KWONG MING KWEI (08KW032ZQ-008)	512,700	0.53
18.	CHUNG SHAN HUI	486,666	0.50
19.	TAI YOK YEN	476,666	0.49
20.	LAI SIYONG SIN	452,700	0.46
21.	TAN YOKE WU	362,000	0.37
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WONG INN LAI	347,002	0.36
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD - GAN BOON GUAT (EM1-P88)	333,333	0.34
24.	OW YIN MOOI	333,333	0.34
25.	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (GCHK-LAZARUS)	319,400	0.33
26.	OOI HAN EWE	306,000	0.31
27.	LAI TZE JIN	300,000	0.31
28.	CHEE EILEEN	294,766	0.30
29.	TAN YOKE CHEONG	286,666	0.29
30.	WONG LEE CHUAN	280,633	0.29
Total		83,596,173	85.69

NOTICE OF 19TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth ("19th") Annual General Meeting of **ADVANCE INFORMATION MARKETING BERHAD** ("AIM" or "the Company") will be conducted on virtual basis through live streaming from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 21 June 2023 at 11:00 a.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 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 RM350,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from this 19th 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 as Director of the Company:-
 - (i) Mr Choong Mun Kit **(Resolution 2)**
 - (ii) Mr Mak Siew Wei **(Resolution 3)**
4. To re-elect Madam Ong Poh Lin Abdullah who retires pursuant to Clause 114 of the Company's Constitution as Director of the Company. **(Resolution 4)**
5. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

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

6. **Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016** **(Resolution 6)**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

NOTICE OF 19TH ANNUAL GENERAL MEETING

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered New Shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

7. **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 7)

"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 was 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,

NOTICE OF 19TH ANNUAL 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.

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 the 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."

- 8. 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

SSM PC NO. 202008001592 (LS0009932)

Company Secretary

Kuala Lumpur

Date: 27 April 2023

NOTICE OF 19TH 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 19th 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 14 June 2023. 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 Poll Administrator office at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan 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 19TH 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 Monday, 19 June 2023 at 11:00 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 Poll Administrator office at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.

3. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2022

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 are calculated based on the current Board size and number of scheduled Board and Board Committee meetings to be held from this 19th AGM until the date of the next AGM. This resolution is to facilitate payment of Directors' Fees and Benefits on a current financial year basis. 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, 3 and 4 – Re-election of Directors

Mr Choong Mun Kit, Mr Mak Siew Wei and Madam Ong Poh Lin Abdullah are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 19th 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 Mr Choong Mun Kit and Madam Ong Poh Lin Abdullah and is satisfied that they met the criteria of independence as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Resolution 5 – 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.

NOTICE OF 19TH ANNUAL GENERAL MEETING

7. Explanatory Notes on Special Business

(i) **Resolution 6 – Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Resolution 6 is for the renewal of the general mandate obtained from the shareholders at the last AGM and empowering the Directors of the Company to issue and allot shares in the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The Proposed General Mandate is to provide flexibility to the Company to issue 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 Proposed 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 project(s), working capital, repayment of bank borrowings, operational expenditure and acquisition(s).

By approving the issuance and allotment of shares pursuant to Sections 75 and 76 of the Companies Act 2016 and the Constitution of the Company, the shareholders having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Constitution of the Company, which will result in a dilution to their shareholding percentage in the Company.

As at the date of this notice, the Company had on 17 February 2023, issued and allotted 26,605,000 new ordinary shares pursuant to the General Mandate granted to the Directors by the shareholders at the Eighteenth AGM held on 23 June 2022 for raising of working capital.

(ii) **Resolution 7 – Proposed Renewal of Share Buy-Back Mandate**

The proposed Resolution 7, 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 27 April 2023 for further information.

ADMINISTRATIVE GUIDE

FOR THE 19TH ANNUAL GENERAL MEETING

Day & Date	: Wednesday, 21 June 2023
Time	: 11:00 a.m.
Broadcast Venue	: Lot 4.1, 4 th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan
Online Meeting Platform	: The 19 th Annual General Meeting (“AGM”) will be conducted on virtual basis using the Remote Participation and Voting facilities operated by Mlabs Research Sdn Bhd in Malaysia via https://rebrand.ly/AIM-AGM

1. MODE OF MEETING

In line with the Government’s directive and the revised Guidance Note and Frequently Asked Questions (“FAQs”) on the Conduct of General Meetings for Listed Issuers (“SC Guidance Note”) issued by the Securities Commission Malaysia (“SC”) on 7 April 2022, the 19th AGM of the Company will be conducted **on virtual basis through live streaming from the Broadcast Venue**.

The Broadcast Venue of the 19th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, whereby the main venue of the meeting shall be in Malaysia and the Chairman of the Meeting shall be present at the main venue of the Meeting together with the essential individuals as indicated in the SC Guidance Note. Shareholders/proxy(ies) from the public **WILL NOT BE ALLOWED** to attend the 19th AGM in person at the Broadcast Venue on the day of the meeting.

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 19th AGM at short notice. Kindly check the Company’s website or announcements for the latest updates on the status of the 19th AGM.

The Company will continue to observe the requirements and guidelines issued by the Government of Malaysia, Ministry of Health, SC and/or other relevant authorities and will take all relevant precautionary measures as advised.

2. SHAREHOLDERS’ PARTICIPATION AT THE 19TH AGM VIA REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 19th AGM using the RPV facilities via <https://rebrand.ly/AIM-AGM>.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this 19th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at <https://rebrand.ly/AIM-AGM>.

We **strongly encourage** you to participate in the 19th AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 19th AGM.


Kindly refer to the Procedures for RPV as set out below for the requirements and procedures.

ADMINISTRATIVE GUIDE

FOR THE 19TH ANNUAL GENERAL MEETING

3. PROCEDURES FOR RPV VIA RPV FACILITIES

Please read and follow the requirements and procedures below to engage in remote participation through live streaming and online remote voting at the 19th AGM using the RPV facilities:-

Procedure	Action
BEFORE THE 19TH AGM DAY	
(a) Register as a participant in the Virtual 19 th AGM 	<ul style="list-style-type: none"> Using your computer, access to the website at https://rebrand.ly/AIM-AGM. Click on the REGISTER link to register as a participant for the 19th AGM. If you are using mobile devices, you can also scan the QR code provided on the left to access the registration page. Click REGISTER and enter your email, followed by NEXT to fill in your details to register for the 19th AGM. Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android, and iOS).
(b) Submit your online registration to participate the 19 th AGM remotely	<ul style="list-style-type: none"> Registration for the 19th AGM is open from Thursday, 27 April 2023 at 5:00 p.m. and the registration will be closed on Tuesday, 20 June 2023 at 11:00 a.m. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 19th AGM to ascertain their eligibility to participate the 19th AGM using the RPV facilities. Clicking on the link will redirect you to the 19th AGM event page. Click on the REGISTER link for the online registration form. Complete your particulars in the registration page. Your name MUST match your CDS account name <i>[not applicable to proxy(ies) or corporate representative(s) or attorney(s)]</i>. Kindly fill in the CDS account number and indicate the number of shares you hold. If you have more than one CDS account, please state the CDS account number and indicate the number of shares held separately with a comma (,). Read and agree to the Terms & Conditions and confirm the Declaration. Please review your registration and ensure all information given is accurate before you proceed to click SUBMIT to register for your remote participation. Failure to do so will result in your registration being rejected. System will send an e-mail to notify that your registration for remote participation is received and pending verification. After verification of your registration against the Record of Depositors as at 14 June 2023, the system will send you an e-mail after 15 June 2023 to approve or reject your registration for remote participation.

(Note: Please allow sufficient time for approval of the registration for the RPV.)

ADMINISTRATIVE GUIDE

FOR THE 19TH ANNUAL GENERAL MEETING

Procedure	Action
ON THE DAY OF THE 19TH AGM	
(a) Participating the Virtual 19 th AGM	<ul style="list-style-type: none"> Two reminder e-mails will be sent to your inbox. First reminder will be sent one day before the 19th AGM day, while the second reminder will be sent an hour before the commencement of the 19th AGM. Click JOIN EVENT in the reminder email for remote participation at the 19th AGM at any time from 10:00 a.m., i.e. an hour before the commencement of the 19th AGM on Wednesday, 21 June 2023 at 11:00 a.m. Please ensure you have downloaded and installed Cisco Webex Meetings application before attending the Virtual 19th AGM.
(b) Participate through Live Streaming	<ul style="list-style-type: none"> You will be given a short briefing on the RPV facilities. Your microphone will be muted throughout the whole session. If you have any question for the Chairman/ Board of Directors, you may use the Q&A PANEL to transmit your questions. The Chairman/ Board of Directors will endeavour to respond to relevant questions submitted by remote participants during the 19th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting. The meeting session will be recorded. Please note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
(c) Online Remote Voting	<ul style="list-style-type: none"> The Chairman of the Meeting will announce the commencement of the voting session and the end of the voting session of the 19th AGM. The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions that are tabled for voting within the given time frame. Confirm and click the SUBMIT button upon completion to submit your votes. The decision of votes cannot be changed once it is submitted.
(d) End of Remote Participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 19th AGM, the live streaming will end.

4. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as at 14 June 2023 shall be eligible to participate in the 19th AGM or appoint proxy(ies) or corporate representative(s) or attorney(s) and/or the Chairman of the Meeting to participate and vote on his/her behalf.

The hard copy of the proxy forms and/or documents relating to the appointment of proxy(ies) or corporate representative(s) or attorney(s) for the 19th AGM must be deposited by hand or post with the Company's Poll Administrator office at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, not later than **Monday, 19 June 2023 at 11:00 a.m.**

All members are strongly encouraged to participate and vote remotely at the 19th AGM using the RPV facilities. The procedures and requisite documents to be submitted by the respective members to facilitate remote participation and voting are summarised below:-

ADMINISTRATIVE GUIDE

FOR THE 19TH ANNUAL GENERAL MEETING

(I) For Individual Members

If an individual member is unable to participate the 19th AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

(II) For Corporate Members

Corporate members [through the appointment of Corporate Representative(s) or proxy(ies)] who wish to participate and vote remotely at the 19th AGM must contact the Company's Poll Administrator with the details set out below for assistance and is required to deposit the following documents to the Company's Poll Administrator no later than **Monday, 19 June 2023 at 11:00 a.m.**:

- (a) Certificate of appointment of its Corporate Representative or Proxy Form under the seal of the corporation;
- (b) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
- (c) Corporate Representative's or proxy's email address and mobile phone number.

Upon receipt of such documents, the Company's Poll Administrator will respond to your remote participation request.

If a corporate member [through the appointment of Corporate Representative(s) or proxy(ies)] is unable to participate the 19th AGM, the corporate member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

(III) For Institutional Members

The beneficiaries of the shares under a Nominee Company's CDS account ("Institutional member(s)") who wish to participate and vote remotely at the 19th AGM may request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 19th AGM. The Nominee Company must then contact the Company's Poll Administrator with the details set out below for assistance and is required to deposit the following documents to the Company's Poll Administrator no later than **Monday, 19 June 2023 at 11:00 a.m.**:

- (a) Proxy Form under the seal of the Nominee Company;
- (b) Copy of the proxy's MyKad (front and back)/Passport; and
- (c) Proxy's email address and mobile phone number.

Upon receipt of such documents, the Company's Poll Administrator will respond to your remote participation request.

If an institutional member is unable to participate the 19th AGM, the institutional member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

5. REVOCATION OF PROXY

Please note that if a Shareholder has submitted his/her Proxy Form prior to the 19th AGM and subsequently decides to personally participate in the 19th AGM via RPV facilities, the Shareholder must contact the Company's Poll Administrator to revoke the appointment of his/her proxy no later than **Monday, 19 June 2023 at 11:00 a.m.**

ADMINISTRATIVE GUIDE

FOR THE 19TH ANNUAL GENERAL MEETING

6. VOTING AT MEETING

The voting at the 19th AGM will be conducted on a poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Aldpro Corporate Services Sdn Bhd as the Poll Administrator to conduct the poll voting electronically and CSC Securities Services Sdn Bhd as Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the voting session announced by the Chairman of the Meeting. Kindly refer to the **"Procedures for RPV via RPV Facilities"** provided above for guidance on how to vote remotely via the RPV facilities. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution tabled for voting is duly passed or otherwise.

7. RESULTS OF THE VOTING

The resolutions proposed at the 19th AGM and the results of the voting for the same will be announced at the 19th AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

8. NO RECORDING OR PHOTOGRAPHY

By participating at the 19th AGM, you agree that no part of the 19th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

9. NO DOOR GIFT/ FOOD PACKS/ ANY VOUCHER

There will be NO distribution of door gifts or food packs or any vouchers.

10. ENQUIRY

If you have any enquiries on the above, please contact the following designated persons during normal business hours on Mondays to Fridays (except on public holidays):-

(i) For Registration, logging in and system related:

Mlabs Research Sdn Bhd

Name : Ms Eris/ Ms Jey
Contact No. : 03-7688 1013
Email : vgm@mlabs.com

(ii) For Proxy Form and other matters:

Aldpro Corporate Services Sdn Bhd

Name : Ms Jennie Wong/ Mr Simon Teo
Contact No. : 03-9770 2200
Email : admin@aldpro.com.my



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

PROXY FORM

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 Nineteenth ("19th") Annual General Meeting of the Company, which will be conducted on virtual basis through live streaming from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on **Wednesday, 21 June 2023 at 11:00 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 RM350,000 for the period from this 19 th Annual General Meeting until the next Annual General Meeting of the Company.		
2	Re-election of Mr Choong Mun Kit as Director of the Company pursuant to Clause 105 of the Company's Constitution.		
3	Re-election of Mr Mak Siew Wei as Director of the Company pursuant to Clause 105 of the Company's Constitution.		
4	Re-election of Madam Ong Poh Lin Abdullah as Director of the Company pursuant to Clause 114 of the Company's Constitution.		
5	Re-appointment of Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.		
7	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 _____ 2023 _____

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:-

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 19th 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 14 June 2023. 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 Poll Administrator office at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan 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 notari ally and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (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 Monday, 19 June 2023 at 11:00 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 Poll Administrator office at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.

Please fold here

STAMP

The Poll Administrator of
ADVANCE INFORMATION MARKETING BERHAD
[Registration No.: 200401006266 (644769-D)]

c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

Please fold here

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