



**G3 GLOBAL BERHAD**

Company No. 200201002733 (570396-D)



ANNUAL REPORT  
**2020**

# Contents

Corporate Information	Audit Committee Report	Statements of Changes in Equity
02	39	64
Corporate Structure	Other Information	Statements of Cash Flows
03	43	66
Corporate Management Discussion & Analysis	Directors' Report	Notes to the Financial Statements
04	46	69
Directors' Profile	Statement by Directors and Statutory Declaration	Analysis of Shareholdings
07	52	143
Key Senior Management	Independent Auditors' Report to the Members of G3 Global Berhad	Analysis of Warrant Holdings
12	53	146
Sustainability Statement	Statements of Financial Position	Notice of Annual General Meeting
13	60	148
Corporate Governance Overview Statement	Statements of Profit or Loss and Other Comprehensive Income	Form of Proxy
24	62	
Statement on Risk Management & Internal Control		
37		

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Datuk Wan Khalik  
Bin Wan Muhammad  
Executive Chairman

Dirk Johann Quinten  
Managing Director

Ahmad Rizan Bin Ibrahim  
Executive Director

Dr Tee Kim Siong  
Executive Director

Datuk Haji Khan  
Bin Mohd Akram Khan  
Non-Independent Non-Executive Director

Puan Chan Cheong  
Non-Independent Non-Executive Director

Yong Kim Fui  
Independent Non-Executive Director

Lai Chin Tak  
Independent Non-Executive Director

Salihin Bin Abang  
Independent Non-Executive Director

## SHARE REGISTRAR

Agriteum Share  
Registration Services Sdn Bhd  
Registration No. 200201010810 (578473-T)  
2nd Floor, Wisma Penang Garden  
42, Jalan Sultan Ahmad Shah  
10050 Penang  
Tel : +604 228 2321  
Fax : +604 227 2391

## AUDITORS

Grant Thornton Malaysia PLT  
(201906003682 & LLP0022494-LCA)  
Chartered Accountants (AF 0737)  
Level 11 Sheraton Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Tel : +603 2692 4022  
Fax : +603 2732 5119

## AUDIT COMMITTEE

Yong Kim Fui  
\_Chairman  
Lai Chin Tak  
Salihin bin Abang

## RISK MANAGEMENT COMMITTEE

Salihin bin Abang  
\_Chairman  
Yong Kim Fui  
Lai Chin Tak

## REMUNERATION COMMITTEE

Lai Chin Tak  
\_Chairman  
Yong Kim Fui  
Salihin bin Abang

## NOMINATING COMMITTEE

Lai Chin Tak  
\_Chairman  
Yong Kim Fui  
Salihin bin Abang

## COMPANY SECRETARY

Wong Youn Kim  
SSM Practicing Certificate No. 201908000410  
(MAICSA 7018778)

## REGISTERED OFFICE

Level 2, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Tel : +603-2241 5800  
Fax : +603-2282 5022

## BUSINESS ADDRESS

L2-17 & L2-18  
Level 2, Gamuda Walk  
Persiaran Anggerik Vanilla  
Seksyen 31, Kota Kemuning  
40460 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 5885 8578  
Fax : +603 5885 8579

## WEBSITE

[www.g3global.com.my](http://www.g3global.com.my)

## SOLICITORS

Teh & Lee  
Peter Ling & Van Geyzel

## PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad  
Hong Leong Islamic Bank Berhad

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : G3  
Stock Code : 7184

## CORPORATE STRUCTURE



# CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

For financial year ended 2020, our main business focus is on Information and Communication Technology (“ICT”) mainly Artificial Intelligence, Mobility and Internet of Things. We had undergone operational transformation within the Group during the financial year ended 2020 through stringent streamlining and resource rationalisation in order to achieve operational efficiency.

We are pleased to note that our we are able to streamline our operations in 2020 which allow us to be more resilient and stronger in the market to tackle the decline in the economy which is affected by COVID-19 pandemic.

## 5-YEAR GROUP FINANCIAL HIGHLIGHTS

	2016	2017 (17mths)	2018	2019	2020
--	------	------------------	------	------	------

### A. OPERATING RESULTS (RM'000)

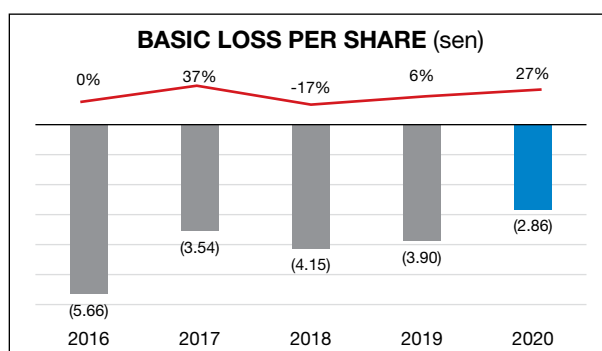
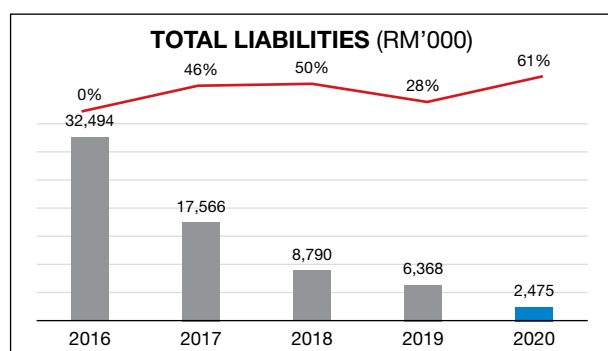
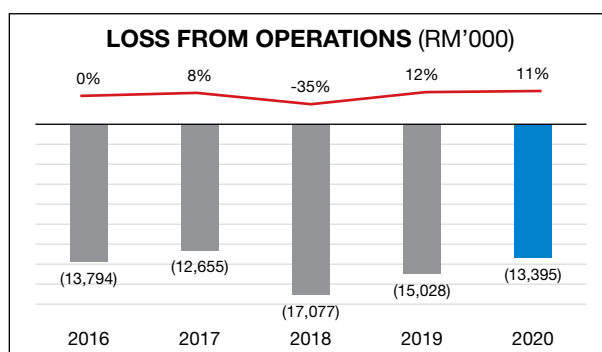
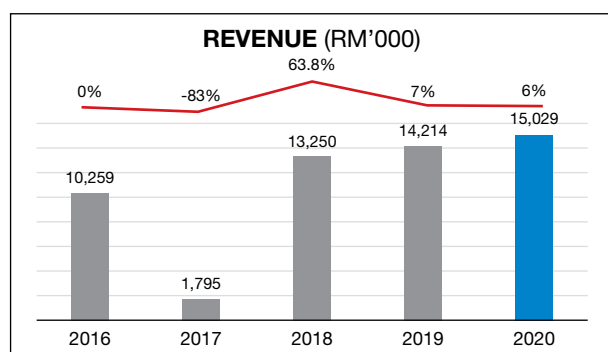
Revenue - ICT only	10,259	1,795	13,250	14,214	15,029
Loss from operations	(13,794)	(12,655)	(17,077)	(15,028)	(13,395)

### B. KEY STATEMENTS OF FINANCIAL POSITION (RM'000)

Total Assets	58,372	85,407	59,479	46,210	28,936
Total Liabilities	32,494	17,566	8,790	6,368	2,475
Shareholders' Funds	25,878	67,841	50,649	39,806	26,431

### C. SHARE INFORMATION

Basic loss per share (sen)	(5.66)	(3.54)	(4.15)	(3.90)	(2.86)
Asset per share (sen)	0.18	0.17	0.12	0.09	0.06





# CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS

## (CONT'D)

### GROUP'S FINANCIAL RESULTS

Despite the challenges presented by the COVID-19 pandemic, the overall operational performance of the Group performed better with a stronger revenue of RM15.0million compared to financial year ended 2019 RM14.2million. In addition, the Group efficiency has improved the operational losses by 11% compared to financial year ended 2019 of RM15.0million through cost rationalisation.

The Group liabilities has also reduced from RM32.5 million since financial year ended 2016 to RM2.5 million in financial year ended 2020. This has reduced the financial burden to the Group as we do not have any borrowings or loans in financial year ended 2020.

Loss per share has also reduce by 27% from 2019 to 2020. This again is attributable to improvement in Group efficiency with the support of team members to drive overall cost down and moving towards a better result for the Group.

### BUSINESS OUTLOOK

#### Artificial Intelligence ("AI")

AI products and services has been our primary focus in financial year ended 2020 and will be one of the major revenue contributors to the Group going forward. Supported by world's most valuable AI company, SenseTime, we have our AI systems implemented in Istana Negara, government agencies and various key corporates in Malaysia.

The outlook for our AI business is positive having discussion with various key government agencies and established corporations to promote our AI solutions. We have also secured Letter of Intent ("LOI") from Technology Park Malaysia ("TPM") and ongoing negotiation with TPM on the proposed development of TPM Phase 3.

The Group will continue to support Malaysia government and corporates to achieve AI readiness and continue be the forefront AI company in Malaysia.

#### Mobility and Internet of Things ("IoT")

Mobility and IoT momentum have been strong in Q1, 2020, however, the introduction of Movement Control Order ("MCO") on 18 March 2020 as well as economy being affected by the COVID-19 pandemic in financial year ended 2020. The demand for mobility technology and IoT has been affected as clients are slowing their expenditure in 2020. In financial year ended 2020, we review the cost structure of our mobility and IoT businesses and have gone through series of cost rationalisation. This has contributed to the overall cost reduction in the Group.

The Mobility and IoT expected to remain slow even after financial year ended 2020. As such, we will continue to build the AI business as we expect stronger demand in Malaysia surrounding big data analytics and AI to support data management system.

### RISK MANAGEMENT

The effect of COVID-19 pandemic in Malaysia and globally, has adversely affected the economy in Malaysia and change the norm on how we operate previously. The adverse effect is further worsened with the implementation of MCO by the Malaysian Government. The pandemic has also accelerated the digital transformation in Malaysia and hence, the improvement in technology would also affect the Group.

In mitigating the risk, we have ensured strong liquidity in the business to face the COVID-19 pandemic as well as to ensure a lean cost structure. Partnering with SenseTime has also ensure that our AI solutions are at par with current world standards taking into account relevancy to the need of Malaysian.

# CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## CORPORATE DEVELOPMENTS

During the financial year, corporate developments in the Group are as follows:

- a) Atilze AI Sdn Bhd ("AAISB"), a wholly-owned subsidiary of the G3 Global Behad ("G3") has on 9 October 2020 received a Letter of Intent ("LOI") from Technology Park Malaysia ("TPM") for the proposed development of Phase 3 Technology Park Malaysia, Bukit Jalil (the "Project"). The LOI served as an expression by TPM on its intent to further engage with AAISB to discuss on AAISB's Request for Proposal submissions and the Project.
- b) As part of appreciation to our continuous support by shareholders, we have announced on 8 December 2020 that G3 proposes to undertake a bonus issue of up to 1,856,249,934 Bonus Shares, on the basis of 3 Bonus Shares for each Share held by the shareholders of the Company. On 5 February 2021, the Proposed Bonus Issue has been approved by G3 shareholders.
- c) G3 announced on 20 January 2021 to propose revision of the authority to issue shares as approved by the shareholders at the Eighteenth Annual General Meeting held on 29 July 2020 ("Proposed Revision of the Authority to Allot Shares"). On 5 February 2021, the Proposed revision of the Authority to Issue Shares has been approved by G3 shareholders.

## DIVIDEND POLICY

The Board has not adopted any fixed dividend policy. The Board does not recommend payment of any dividend for the financial year ended 31<sup>st</sup> December 2020.

## FUTURE PROSPECTS

The current COVID-19 pandemic and various movement control restrictions implemented by the Malaysian Government has indeed affected the economy and a potential factor hampering growth among Malaysian corporations.

For G3, we see an opportunity for growth where our AI solutions will complement the digital transformation among government agencies and corporations in Malaysia. As more Malaysians embark the journey to digitise their working processes and embracing technology as part of their new norm, the need for AI solutions to ease and making sense of large data flowing among various platforms becomes more important.

We will continue to drive the growth of AI adoption in Malaysia and retaining the position as Malaysia's leading AI company.

## DIRECTORS' PROFILE

Aged 48 | Malaysian | Male

### DATUK WAN KHALIK BIN WAN MUHAMMAD

(Executive Chairman)

Datuk Wan Khalik, was appointed as the Executive Chairman of the Company on 5 April 2019.

Datuk Wan Khalik holds a Diploma in Public Administration from Universiti Teknologi MARA (UiTM) and he is also a postgraduate Master of Arts in Political Science from the Universiti Utara Malaysia (UUM).

Datuk Wan Khalik is the co-founder of a multi award-winning software development company which was established in the year 2000. He also ventured into businesses in other sectors such as food and beverage, marine works, telecommunications, construction and engineering. He has vast experience in the areas of corporate planning, public administration, IT strategic planning and business development. He served the public and government sector for more than five (5) years as special officer & principal private secretary to the Chief Minister of Sarawak from 2013 until July 2018.

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

Datuk Wan Khalik does not have any conflict of interest in any business arrangement involving the Company.

Datuk Wan Khalik does not hold any shares directly in the Company. However, he have deemed interest on 528,674,800 ordinary shares in the Company via Global Man Capital Sdn. Bhd.

Datuk Wan Khalik does not have any family relationship with any other director and/or substantial shareholders of the Company.

Aged 51 | Malaysian | Male

### DATUK HAJI KHAN BIN MOHD AKRAM KHAN

(Non-Independent Non-Executive Director)

Datuk Khan, was appointed as the Managing Director of the company on 5 April 2019. He was re-designated as Non-Independent Non-Executive Director on the 30th July 2020.

Datuk Khan is a Degree holder in communications from Infrastructure University Kuala Lumpur.

He is a strategist and a serial entrepreneur in the field of Big Data Analytics, Automotive, Logistics & Trading and other related industries. As the founder of AGA Group, Datuk Khan's journey into Big Data Analytics started back in 2001. Being an advocate towards sustainable data management and governance, his National Data Ocean framework has been renowned and accepted by MAMPU and MDEC in pursuing the Beyond 2020 Roadmap.

Datuk Khan has almost 30 years of experience in the areas of Strategic Planning, Branding and Communication, Marketing, Digital Transformation and Data Analytics. Being a prominent figure in the Big Data arena, Datuk Khan has been featured in many events, such as HACKATHON, and forums as a speaker in order to share his views on how businesses can capitalize data

as the game changer to win deals. Armed with vast experience in various industries and with a strong believe that data is the primary component in transforming and optimizing business best practices, Datuk Khan has been proactively promoting the idea of Big Data Analytics based on his principles, methodology and architecture.

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

Save for Datuk Khan have deemed interest in some of the recurrent related party transactions of a revenue or trading nature in the Company, he does not have other conflict of interest in any business arrangement involving the Company.

Datuk Khan does not hold any shares directly in the Company. However, he have deemed interest on 528,674,800 ordinary shares in the Company via Global Man Capital Sdn. Bhd.

Datuk Khan does not have any family relationship with any other director and/or substantial shareholders of the Company.



## DIRECTORS' PROFILE (CONT'D)

Age 52 | German | Male

### DIRK JOHANN QUINTEN

(Managing Director)

Mr Dirk Quinten was appointed as Executive Director of G3 Global Berhad on 19 February 2020. He was re-designated as the Managing Director on the 30 July 2020.

Mr Dirk Quinten holds a Master Degree in Electrical Engineering & Automation from the University of Applied Science, Trier, Germany, and underwent the SMDP from Harvard Business School.

Born, raised and educated in Germany, Mr Dirk Quinten started his career in 1995 with a multinational engineering company. In 2000 he came to Malaysia and shifted his focus towards project and corporate management. In the course of his career he worked with companies including FLSmidth, Conoco, Siemens, Alstom, TNB, SMS, Vale, Ferrostaal, Melewar and Pertamina in delivering complex projects, corporate turnarounds and capital market structures.

With his ability to engage teams and to merge various company departments into a cohesive organization, Mr Dirk Quinten is driven to improve corporate governance and business structures in order to achieve stability and growth.

Mr Dirk Quinten believes in transparent and ethical business conduct. He is a member of the Harvard Alumni Club as well as of the German Embassy's Round Table business forum in Malaysia.

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

Mr Dirk Quinten does not have any conflict of interest in any business arrangement involving the Company.

He does not hold any shares directly or indirectly in the Company. He does not have any family relationship with any other director and/or substantial shareholders of the Company.

Aged 58 | Malaysian | Male

### AHMAD RIZAN IBRAHIM

(Executive Director)

Encik Ahmad Rizan was appointed as a Non-Independent Non-Executive Director of the Company 30 December 2019. He was re-designated as an Executive Director on the 30th July 2020.

He holds a Bachelor of Science degree in Computer Science, a Bachelor of Science in Management Science, a Master of Computer Science and an MBA from Oregon State University, USA.

Encik Ahmad Rizan has more than 30 years of management and strategic consulting experience; inclusive of senior leadership and operational roles, sales, marketing, business development and channel/alliance development.

He has worked in China, Vietnam, Cambodia, Myanmar, Indonesia, UAE, Oman, Hungary, Russia, United Kingdom and the United States. He is well versed in solution delivery to clients in the areas of strategic planning, merger and acquisitions (M&A), technology design and implementation, package and custom development and implementation, operations management, e-Business and project management; serving both public and private sectors locally and overseas. In recent years, he has been responsible for many mergers and acquisitions, due diligence and international ventures in the hospitality and leisure market.

Encik Ahmad Rizan was a partner with Arthur Andersen during which he held the role of Head of ASEAN Enterprise Application Line-of-Business and Asia Pacific Head of Enterprise Application for several years. Prior to joining Arthur Andersen, he was the Consulting Practice Director for Oracle Consulting Services Line-of-Business in Asia Pacific.

In 2002, Encik Ahmad Rizan together with a senior partner of Arthur Andersen, founded a consulting company called HRM Business Consulting Sdn. Bhd. The company was set up with 45 consulting professionals from the business consulting division of Hanafiah Raslan & Mohamed (HRM), a Malaysian-owned member firm of Arthur Andersen. The firm provided business strategy and ICT design and implementation services, which subsequently became a 51% own subsidiary of Dataprep Holdings Bhd., a Bursa Malaysia listed company.

He was also the President and CEO of MIMOS Berhad, a 100 percent Ministry of Finance (MoF) owned company, under the supervisory of Ministry of International Trade and Industry (MITI).

Presently, Encik Ahmad Rizan does not hold any other directorship in any other public companies or public listed companies.

Encik Ahmad Rizan does not has any conflict of interest in any business arrangement involving the Company.

Encik Ahmad Rizan does not hold any shares directly or indirectly in the Company. He also does not have any family relationship with any other director and/or substantial shareholders of the Company.

## DIRECTORS' PROFILE (CONT'D)

Aged 52 | Malaysian | Male

### PUAN CHAN CHEONG

(Non-Independent Non-Executive Director)

Mr. Puan was appointed as a Non-Independent Non-Executive Chairman of the Company on 14 September 2017. He was reappointed as a Non-Independent Non-Executive Director of the Company on 14 August 2018.

He holds a Bachelor of Science in Business Administration and a Double major in Management Information Systems & Finance from the University of Nebraska-Lincoln, USA.

Puan is the founder, Group Managing Director, and CEO of Green Packet Berhad ("Green Packet"). Established in 2000, Green Packet is an international technology company with four core businesses namely connectivity (broadband devices), communications (wholesale voice and data), cashless commerce (Fintech), and community living (Proptech).

In 2014, Mr. Puan relinquished his executive roles at Green Packet to lead as CEO of 4G Telecommunications company ("Telco"), Packet One Networks (Malaysia) Sdn Bhd ("P1") until 2016. Established by Green Packet, P1 attracted the investment of Malaysia's leading broadband provider, Telekom Malaysia Berhad, which subsequently became its holding company. Mr. Puan led as CEO during the transition phase to fully capitalize on partnership synergies. He established P1's future blueprint and engineered key strategic transformations including the rebranding of P1 to Webe Digital Sdn Bhd ("Webe"). Thereafter, he transitioned to the Board of Webe and continued to help shape the company's progress.

During the early founding years, Mr. Puan steered the Green Packet start-up into a commercially viable and internationally recognised software platform and broadband device provider. He successfully listed the company on MESDAQ (ACE market) on 25 May 2005, followed by a KLSE Main Market listing on 18 July 2007.

He returned as Group Managing Director and CEO of Green Packet in July 2019 to lead the charge on delivering the Group's new strategic vision for long-term sustainable growth. Beyond broadband connectivity and wholesale voice, Mr. Puan will drive accelerated market traction for new growth areas in Financial Technology and Property Technology. He will also steer the Group's transformative journey underpinned by the Group's belief that 'Every Human Must Thrive with Life-Improving Digital Innovations.

A visionary and astutely entrepreneurial, Mr. Puan co-founded and sits on the board of Green Packet Berhad and several subsidiaries. He has more than 30 years of diversified business experience with strong successes in consulting and the development and management of large-scale telecommunications, infrastructure, and property projects internationally. His accolades include the coveted PIKOM Technopreneur of the Year award.

Currently, Mr. Puan is the Managing Director of Green Packet Berhad.

Save as disclosed above, he does not hold any other directorship in any other public companies or public listed companies.

Save for Mr. Puan have deemed interest in some the recurrent related party transactions of a revenue or trading nature in the Company, he does not have other conflict of interest in any business arrangement involving the Company.

Mr. Puan does not hold any shares directly in the Company. However, he have deemed interest on 307,320,900 ordinary shares in the Company via Green Packet Berhad and he is a nominee of Green Packet Berhad in the Company.

Mr. Puan does not have any family relationship with any other director and/or substantial shareholders of the Company.

Aged 59 | Malaysian | Male

### LAI CHIN TAK

(Independent Non-Executive Director)

Mr Lai, was appointed as the Independent Non-Executive Chairman of the Company on 1 August 2018. He was re-designated as the Independent Non-Executive Director of the Company on 5 April 2019. Mr Lai is the Chairman of Nomination Committee and Remuneration Committee. He is a member of Audit Committee and Risk Management Committee.

Mr Lai graduated with the Bachelor of Electrical Engineering from Queens University, Kingston, Ontario, Canada in 1985 and obtained his Master of Business Administration from Oklahoma State University, USA in 1987.

He held various leadership roles in Malaysia and the region, moving from a marketing role with multinational technology company Oracle in Malaysia before joining mobile telecommunications provider Celcom (now known as Celcom Axiata) as its Senior Vice President in 2002 to 2005. Subsequently, he went on to head TM Net Sdn Bhd as its Chief Executive Officer ("CEO") from 2005 to 2006. He then assumed the post of CEO of Packet One Networks

(Malaysia) Sdn Bhd (P1) from 2007 to 2013. From 2013 to 2015, he was the President Director/CEO of Innovate Indonesia (now known as MyRepublic Indonesia) and assumed the post of Group Director of Singapore-based regional broadband company, MyRepublic Group from 2015 to 2017.

Currently, he is a Director on the Board of Great Eastern General Insurance (Malaysia) Berhad, and a member of the Board Risk Management Committee.

Save as disclosed above, he does not hold any other directorship in any other public companies or public listed companies.

He does not has any conflict of interest in any business arrangement involving the Company.

Mr Lai does not hold any shares directly or indirectly in the Company. He also does not have any family relationship with any other director and/or substantial shareholders of the Company.



## DIRECTORS' PROFILE (CONT'D)

Age 49 | Malaysian | Male

### DR TEE KIM SIONG

(Executive Director)

Dr. Tee Kim Siong was appointed as Executive Director of the Company on 12 October 2020.

He holds a Ph. D. in Materials Science & Metallurgy from the University of Cambridge, United Kingdom. A Commonwealth Scholar, he also has a First Class Honours Degree in Bachelor of Engineering from Universiti Teknologi Malaysia (UTM).

Dr. Tee is a Senior Executive with more than 20 years of extensive work experience and strong expertise in integrated real estate and smart city developments, construction and investment, asset management, insurance, and management strategy consulting. He has an impressive track record in general management, financial management, strategic planning, performance transformation, and value creation.

He was formerly Managing Director/Chief Executive Officer of Medini Iskandar Malaysia, the master planner and master developer of Medini City, an award-winning smart and green township in Iskandar Puteri, Johor. He was previously CEO of public listed and non-listed real estate companies and was also a management consultant with McKinsey & Company.

He is the author of a comprehensive book, "Malaysian Real Estate Industry – Value Creation Strategies", and was Honorary Secretary of the Malaysian REIT Managers Association. An accomplished public speaker, Dr. Tee was interviewed by BFM 89.9 (Business Radio Station) on value creation strategies for the property industry. He has been a panel judge for real estate and property agency awards as well as on the advisory panel for prestigious property development awards.

Dr. Tee is a registered Graduate Engineer with the Board of Engineers Malaysia and is a Certified Green RE Manager – under REDHA – for green buildings assessment. He is passionate about developing young leaders and making a difference through innovative technologies.

Presently, Dr. Tee does not hold any other directorship in any other public companies or public listed companies.

Save for Dr. Tee's deemed interest in some of the recurrent related party transactions of a revenue or trading nature in the Company, he does not have conflicts of interest in any other business arrangements involving the Company.

Dr. Tee does not hold any shares directly or indirectly in the Company. He also does not have any family relationship with any other director and/or substantial shareholders of the Company.

Aged 49 | Malaysian | Male

### YONG KIM FUI

(Independent Non-Executive Director)

Mr Yong, was appointed as a Non-Independent Non-Executive Director of the Company on 23 January 2016. He was re-designated as the Independent Non-Executive Director on 1st October 2016. He is the Chairman of Audit Committee. He is a member of Risk Management Committee, Nomination Committee and Remuneration Committee.

Mr Yong graduated in 1996 from the University of Southern Queensland and is a registered member of the Malaysian Institute of Accountants (MIA). He is also a Certified Practising Accountant (CPA) in Australia.

After graduation, he started his career in accounting practice with Coopers & Lybrand (now known as PricewaterhouseCoopers) as auditor specializing in the financial and manufacturing sectors. During his tenure, he was exposed to transactions involving review of profit and cashflow forecast for corporate restructuring, tax investigation and review of financial statements for debt facilities and bonds.

Having garnered enough experience and expertise, he subsequently founded a company rendering accounting, taxation and advisory services targeting mainly SMEs to assist and support their growth.

In total he has accumulated close to 25 years of experience in the accounting, tax and advisory industries covering both SMEs and listed companies in various industries.

Currently, he is a Chief Financial Officer and sitting on the Board of Securemetric Berhad.

Save as disclosed above, Mr Yong does not hold any other directorship in any other public companies or public listed companies.

He does not has any conflict of interest in any business arrangement involving the Company.

Mr Yong does not hold any shares directly or indirectly in the Company. He also does not have any family relationship with any other director and/or substantial shareholders of the Company.

## DIRECTORS' PROFILE (CONT'D)

Aged 48 | Malaysian | Male

**SALIHIN BIN ABANG**

(Independent Non-Executive Director)

Encik Salihin was appointed as an Independent Non-Executive Director of the Company on 22 November 2019. He is the Chairman of Risk Management Committee and is a member of Audit Committee, Nomination Committee as well as Remuneration Committee.

Encik Salihin is the Group Managing Partner of SALIHIN and a former president of the Malaysian Institute of Accountants (MIA), which is the sole regulatory body of the accounting profession in Malaysia. His professional qualifications include Chartered Accountant [C.A.(M)], Certified Public Accountant [CPA (M)], ASEAN Chartered Professional Accountant (ACPA), Fellow member of the Association of International Accountants (FAIA, UK), Fellow member of Chartered Tax Institute of Malaysia (FCTIM), a member of the Financial Planning Association of Malaysia (FPAM), Malaysian Association of Tax Accountants (MATA) and an honorary member of the Institute of Cooperative and Management Auditors (ICMA).

As a visionary leader, Encik Salihin founded SALIHIN and its group of independent advisory firms offering audit and assurance, taxation, Shariah advisory, corporate advisory and digital consulting services. Apart from managing SALIHIN, Encik Salihin contributes his expertise in the governance and management of both public listed and non-public listed companies as well as government and state statutory bodies. With over 20 years of experience in the corporate world, he assumes Board and committee membership responsibilities in audit, risk, transformation, sustainability and corporate reporting. He is also the Treasurer of the Malaysian Islamic Chamber of Commerce (DPIM).

Encik Salihin is an Adjunct Professor at the School of Maritime Business and Management of Universiti Malaysia Terengganu (UMT), Tunku Puteri Intan Safinaz School of Accountancy at Universiti Utara Malaysia, and the Faculty of Business and Technology, UNITAR International University. He also contributes to academia as an industry advisor to universities covering bachelor, master and doctoral levels. To further bridge the gap between theory and practice of accountancy, Encik Salihin led the establishment of Teaching Accountancy Firm (TAF) in some local universities, with UMT being the pioneer.

In recognition of his leadership and national and international contributions to both industry and academia in the areas of audit and assurance, accounting, taxation and business advisory, UMT conferred Honorary Doctorate Degree in Management to Encik Salihin during its 16th Convocation Ceremony on 11th November 2018. He obtained his Master of Science in Accounting and Bachelor of Accounting from International Islamic University Malaysia in 2008 and 1997 respectively. He also enrolled and participated in Harvard Business School Alumni Club of Malaysia's Senior Management Development Program (SMDP) in 2011.

Encik Salihin currently holds directorship in other public company (Wassiyah Shoppe Berhad) and public listed companies (Bintulu Port Holdings Berhad and Boustead Heavy Industries Corporation Berhad).

Save as disclosed above, Encik Salihin does not hold any other directorship in any other public companies or public listed companies.

He does not have any conflict of interest in any business arrangement involving the Company.

Encik Salihin does not hold any shares directly or indirectly in the Company. He also does not have any family relationship with any other director and/or substantial shareholders of the Company.

**Notes:**

None of the Directors has any conviction for offences within the past five (5) years other than traffic offences, and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on the Directors during the financial year.

## KEY SENIOR MANAGEMENT

Aged 43 | Malaysian | Male

### Cheok Tuan Oon

Financial Controller

Cheok Tuan Oon (Mr. Cheok) was appointed as Financial Controller on 1st August 2020.

He holds a Bachelor of Business (Accountancy) degree from Royal Melbourne Institute of Technology University and is a member of Malaysia Institute of Accountants (MIA) since 24th January 2003. He had specialized in Corporate Accounting with 21 years of working experience.

Prior to being the Financial Controller, he was the Vice President, Finance of Atilze Digital Sdn Bhd (subsidiary of G3 Global Berhad) handling various corporate and finance matters for the G3 Group.

He has been with Eversendai Corporation Berhad and handled project loan financing, review of projects (Malaysia, India and Middle East) as well as quarterly announcement, annual reporting and monitoring projects profitability by working with project directors to achieve the profitability.

His vast experience includes the 3 years' experience in setting up operations in United Arab Emirates ("UAE") and implement the largest Automated Waste Collection System Infrastructure under STREAM Environment Sdn Bhd (a subsidiary of AWC Berhad). to establish and manage the office in Abu Dhabi to manage AED216mil projects with Abu Dhabi's largest developer.

After returning from UAE, he spent approximately 3 years in Grab as Regional Head of Finance. He has been key in supporting Grab in the initial stage of funding. He also has been part of the strategic team including setting up group structure and the group finance team during the infancy of Grab in Malaysia.

Mr. Cheok has also been with PWC for 8 years leading various consultancy work with prominent clients from different industries and one remarkable achievement is to successfully complete divisional accounting process for Tenaga Nasional Berhad to segregate results for Generation, Transmission and Distribution Divisions.

Mr. Cheok does not have family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He does not hold any directorship in any public companies or public listed companies. He has not been convicted of any offence within the past five (5) years other than traffic offence, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



# SUSTAINABILITY STATEMENT

## OUR COMMITMENT TO BUSINESS SUSTAINABILITY

The Board is pleased to present this Sustainability Statement which sets out to discuss sustainability matters that are material to the Group, the way G3 Global Berhad (“G3 Global” or “the Company”) manage it and activities undertaken to complement the Group’s sustainability efforts.

Our ability to create value for our stakeholders go hand-in-hand with our commitment to meaningfully contribute to Economic, Environmental and Social (“EES”) progress. We understand the strong relationship between business and sustainability, which is increasingly influencing market decision. The driving force behind G3 Global to address sustainability risks and revolve our business decision into achieving strong financial outcomes and positive EES performance.

### Reporting Standards

The disclosures in this Sustainability Statement for Financial Year (“FY”) 2020 was prepared in accordance with Practice Note 9 of the Main Market Listing Requirements and the Sustainability Reporting Guide, 2<sup>nd</sup> Edition (“SRG”) issued by Bursa Malaysia Security Berhad.

### Reporting Scope

This Sustainability Statement covers sustainability efforts and performances in G3 Global for the financial year from 1 January 2020 to 31 December 2020 in the contexts of Economic, Environmental and Social. It includes G3 Global and all its subsidiaries located in Malaysia.

### Feedback

We welcome stakeholder feedback on our Report and any of the issues discussed herein. Comments, queries and suggestions regarding the content of this Report may be emailed to [contact@g3global.com.my](mailto:contact@g3global.com.my).

### Sustainability Governance Structure

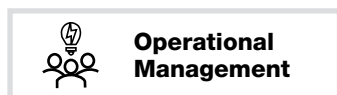
Key to a sustainable business is a strong sustainability governance structure. Our sustainability structure together with operating standards and internal controls help our business implement sustainability strategy across the business, manage goal setting, decision-making process, strengthen relations with external stakeholders and ensure overall accountability.



Board of Directors has the overall responsibility that provides oversight for the Group’s sustainability strategy, performance, and approving the budget for sustainability strategies and initiatives.



The Senior Management comprises of Managing Director (“MD”) and Head of Departments (“HODs”) who are responsible to create awareness on sustainability concepts and principles amongst internal stakeholders and improving the Group’s sustainability governance and performance.



The Operational Management is responsible to implement sustainability programs by ensuring adequate resources are in place, data compilation, and report the Group’s sustainability performance.

### Stakeholder Engagement

Stakeholders are those parties who are directly and indirectly influenced by our business operations or can significantly influence our business operations. Our diverse group of stakeholders include shareholders and investors, employees, customers, suppliers, regulators, Government agencies, non-governmental organisations, society and the communities in which the Group conducts its business.

## SUSTAINABILITY STATEMENT (CONT'D)

To create long-term sustainable value, we develop effective engagements with our stakeholders which we focus on to assess and successfully address the needs of our diverse stakeholder group.

In FY 2020, our stakeholder engagement took the following forms:

Stakeholders	Focus Areas	Engagement approach	Frequency
Shareholders & investors	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Regulatory compliance</li> <li>Corporate governance</li> <li>Internal control and risk management</li> </ul>	<ul style="list-style-type: none"> <li>Financial and Corporate announcement and reporting</li> <li>General meetings</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Periodically</li> <li>Quarterly</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Product and service quality and pricing</li> <li>Customer service</li> <li>Product and service innovation</li> </ul>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Direct engagement</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>Periodically</li> <li>Quarterly</li> </ul>
Vendors & suppliers	<ul style="list-style-type: none"> <li>Business continuity</li> <li>Prompt payment of invoices</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagement</li> <li>Meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>Periodically</li> <li>On-going</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Job security and competitive remuneration package</li> <li>Employee Health and Safety</li> <li>Career development and advancement</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisals</li> <li>Social events with employees</li> <li>Meetings and discussions</li> <li>Trainings</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Periodically</li> <li>Quarterly</li> </ul>
Government regulators	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Approvals and permits</li> <li>Standards and certifications</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and consultations</li> <li>Dialogues</li> <li>Audit and verification</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Good corporate citizenship</li> </ul>	<ul style="list-style-type: none"> <li>Internship programme</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Periodically</li> </ul>

### Materiality Sustainability Matters

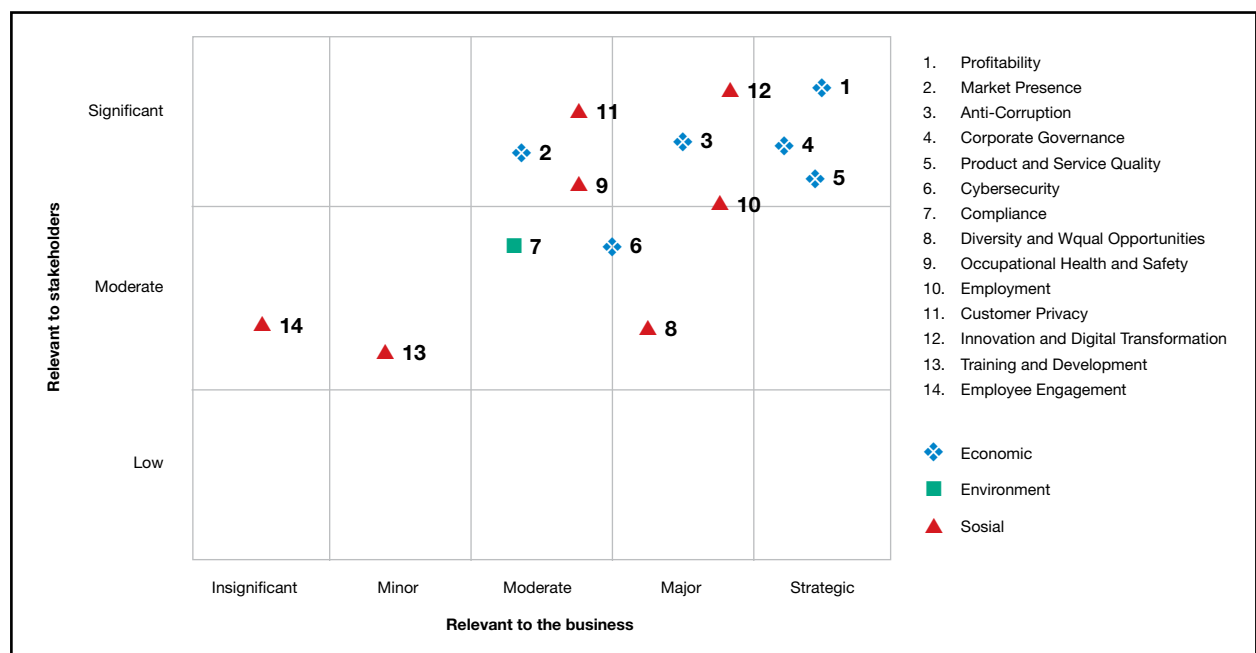
In FY2020, selective Head of Departments and key management staff discussed in a meeting facilitated by an independent consultant during the year to review and assess the applicability and relevance of previous identified key sustainability matters towards driving more effective strategic decision making. The key sustainability matters are managed and categorised into three aspects – economic, environmental, and social.

## SUSTAINABILITY STATEMENT (CONT'D)

A total of fourteen (14) key sustainability matters were identified and rank based on its importance to our stakeholders and to the business. The result of the Materiality Assessment shown as below:

Economic				
	<ul style="list-style-type: none"><li>• Profitability</li></ul>	<ul style="list-style-type: none"><li>• Market Presence</li></ul>	<ul style="list-style-type: none"><li>• Anti-Corruption</li></ul>	
	<ul style="list-style-type: none"><li>• Corporate Governance</li></ul>	<ul style="list-style-type: none"><li>• Product and Service Quality</li></ul>	<ul style="list-style-type: none"><li>• Cybersecurity</li></ul>	
Environment				
	<ul style="list-style-type: none"><li>• Compliance</li></ul>			
Social				
	<ul style="list-style-type: none"><li>• Diversity and Equal Opportunity</li></ul>	<ul style="list-style-type: none"><li>• Employment</li></ul>	<ul style="list-style-type: none"><li>• Customer Privacy</li></ul>	
	<ul style="list-style-type: none"><li>• Occupational Health and Safety</li></ul>			
	<ul style="list-style-type: none"><li>• Innovation and Digital Transformation</li></ul>	<ul style="list-style-type: none"><li>• Training and Development</li></ul>	<ul style="list-style-type: none"><li>• Employee Engagement</li></ul>	

### SUSTAINABILITY MATERIALITY PROFILE



# SUSTAINABILITY STATEMENT (CONT'D)

## 1.1 ECONOMIC SUSTAINABILITY

Economic sustainability promotes responsible use of resources and supports long-term economic growth. It focuses to ensure that the business generates its returns while taking into consideration the effect on the environmental, social, and cultural aspects of the community.

In G3 Global, we observe good business ethics, responsible governance and best practices, to uphold the Group's reputation and preserving trust and confidence of customers.

### Operational Performance

In FY2020, the Group fully ventured into Information and Communications Technology ("ICT") business focusing on Artificial Intelligence ("AI"), Mobility and Internet of Things ("IoT"). AI allows our customer for better automation enabling remote sensing, thermal scanners and activities specific to their business operation. Mobility real-time diagnostics enable us to measure the performance of a vehicle and how efficient vehicle is used by our customers' employees based on parameters from fuel consumption to skidding. It also facilitates predictive maintenance and emergency responses to better improve fuel consumption and reduce carbon emission. Our IoT supports smart farming to assists farmers to increase the yield from their farms as well as reduce usage of fertilizers.

The COVID-19 pandemic, US trade war with China, and Malaysian economy, have inevitably taken the tolls on many industries' bottom line. Similarly, G3 Global was not spared from these impacts as the Group relies on sales with its customers mainly in Malaysia. In response, we reviewed our costs and optimise the cost structure to minimise financial losses.

Despite the challenges in FY2020, we focus to facilitate our clients to innovate, assist to market for a global audience, and foster strategies that are sustainable without compromising profitability. We continue to be committed to providing solutions that highlights our customers business viability but also improving life through breakthrough technologies.

Details of the Group's strategies and financial results are presented in the Corporate Management Discussion and Analysis section of this Annual Report.

### Market presence

The brand name of G3 Global made a remarkable presence in Malaysia over the years through recognition, expansion of products, business diversification, and collaboration partnership. We are committed to business continuity and towards sustainable values for the Group, led by our senior management comprised of the Group Managing Director ("GMD") and Heads of Departments.

### Corporate governance

In G3 Global, we embraced transparent disclosure of governance and practices because we believe it comes with various benefits including strengthening investors' confidence besides achieving long-term success and sustainable growth.

The Group develops a corporate governance framework that plays a key role in supporting its business operations. It provides clear guidance for effective decision-making in every area of the Group through the following:

- a) Strategic and operational planning;
- b) Risk management and compliance;
- c) Internal controls;
- d) External audit;
- e) Code of ethical conduct;
- f) Anti-corruption policy; and
- g) Whistleblowing policy.

## SUSTAINABILITY STATEMENT (CONT'D)

### Anti-Corruption

To uphold the highest standards of corporate governance, all employees are expected to comply with the Code of Ethical Conduct and Conflicts of Interest (the “Code”) in G3 Global’s Employee Handbook. It generally outlines and serves as a guide for direct and indirect employees’ rules and responsibilities inside and outside the Company. In doing so, the Group can more efficiently resolve its material issues as well as protect our stakeholders which are essential for G3 Global’s sustainability.

G3 Global adopts a zero-tolerance policy against bribery and corruption in all aspects of its business operations, which is reflected in the Anti-Bribery and Corruption Policy. This guide sets out the policy statements and guidelines concerning improper solicitation, bribery, and other corrupt activities that may arise within the organisation. Any employees and third parties suspecting misconduct or wrongdoings are encouraged to report to the Senior Management through the established reporting mechanism as stipulated in the Whistleblowing Policy.

In FY2020, we have no penalties or fines imposed for non-compliance on corruption and misconduct on us. (FY 2019: Nil)

### Product and service quality

Customers’ needs are our utmost priority. We are committed to ensuring that our products and services remain highly relevant to their requirement while embodying sustainability features when designing our products and services.

Our dedicated Customer Relationship Management (“CRM”) team manages customer interactions; existing and prospective customers, who may engage us through helpline call or send their inquiries and messages to the team via email. The CRM team utilises customers’ data to improve business relationships, customer retention, and generate sales.

Our CRM team uses a grievance mechanism that enables a dissatisfied customer to file a complaint via email or telephone. All complaints are acknowledged, registered, and investigated. If the investigation finds a complaint to be valid, a decision has to be made whether it can be resolved internally or whether the manufacturer’s assistance is required. A solution is then implemented. The complaint is monitored, recorded, and closed. Feedback is provided to the manufacturer for improvements to be made.

In FY2020, we received 187 cases of customer service requests which were mainly related to troubleshooting and installation service requests. (FY 2019: 308 cases). The reduction was in line with the reduction in business activities during the year from the pandemic lockdowns and restrictions.

### Cybersecurity

The emerging digital world brings upon a new type of risk – cybersecurity threats. We rely on cloud data storage to store customers’ data and project information, and communication between employees and with customers through the web application from e-mail and WhatsApp to Zoom Meetings. To mitigate cybersecurity risk, G3 Global has implemented the following measures:

- a) IT policies that governed network security;
- b) access management; and
- c) cloud data storage management.

We continuously enhanced our IT infrastructure security through the firewall and perimeter security, controls, and active virus and threat protection in place. Our cloud data storage is secured with password encryption and establish access control matrix to prevent unauthorised access. All our computers are installed with the latest anti-virus and anti-malware software, restricted access to social websites, access through Virtual Private Network (“VPN”).

Disaster recovery and business continuity processes have been established with periodic backup at stored offsite.



In FY 2020, we maintain our objective of zero IT security breaches (FY 2019: Nil).



## SUSTAINABILITY STATEMENT (CONT'D)

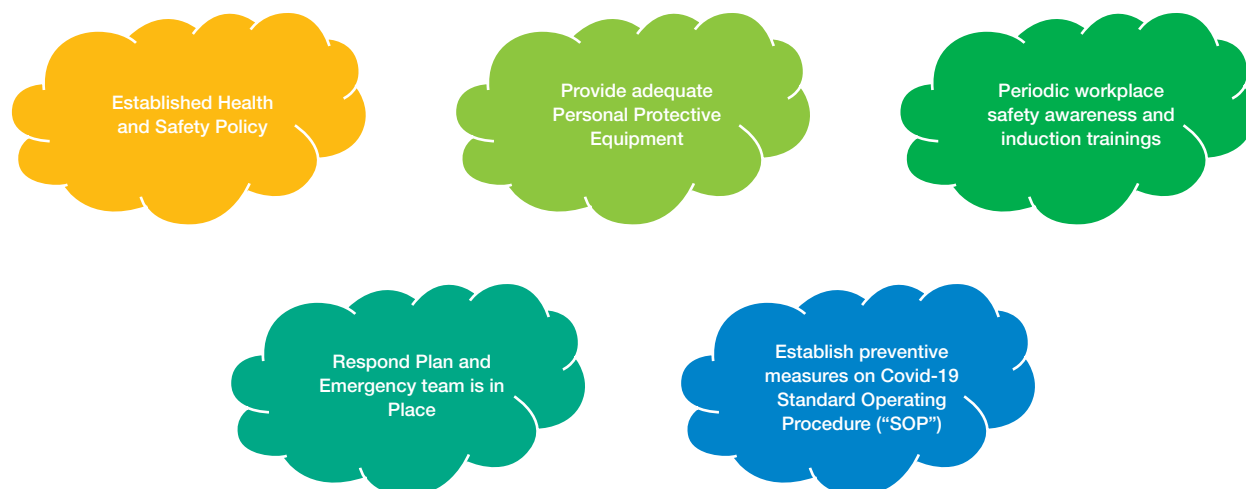
### 1.2 ENVIRONMENT SUSTAINABILITY

In the face of climate change and environmental deterioration, G3 Global is focused on managing our environmental and carbon footprint better in line with both our short-term and long-term sustainability goals. We continue to improve on ways and measures to reduce our carbon footprint to make our operations more sustainable.

Initiatives to the Environment	
	<ul style="list-style-type: none"> <li>Lightings in our offices are installed with light-emitting diode ("LED") light bulbs which have a longer lifespan and more energy-efficient compare with iridescent or fluorescent lamps.</li> <li>"Last out – lights off" practices infused in our workplace.</li> </ul>
	<ul style="list-style-type: none"> <li>We adopt 4Rs ("Refuse, Reduce, Reuse and Recycle") practices by maintaining recycling bins around our offices to ensure proper segregation of non-hazardous waste such as paper, plastic, aluminium, and glass.</li> <li>For electronic waste, we appointed a licensed computer-items disposal Company to manage the disposal of our computers.</li> <li>Our business operations, such as procurement processes have been moved from paper-based communication to electronic media wherever possible.</li> </ul>
	<ul style="list-style-type: none"> <li>Create awareness and encouraging participation of our employees.</li> </ul>

### Compliance

We strictly adhere to the highest standards of governance practices to ensure compliance with all applicable laws and regulations as we are mindful that any material breach of law or regulation could have irrevocable reputational damage or lead to other costly liabilities. The Group regularly reviews any risks and potential issues related to the environment for its business operations. Among actions and measures implemented to ensure all environmental factors are within the regulatory requirements and to protect our employees include:



In FY2020, there was no incident of non-compliance with relevant local laws and regulations and we have not been penalised or fined for any violation. (FY2019: Nil)

# SUSTAINABILITY STATEMENT (CONT'D)

## 1.3 SOCIAL SUSTAINABILITY

We recognise that our employees are our greatest assets, and we work to ensure that they are motivated and engaged as they are the driving force of our business operations. For commitment towards the community, G3 Global recognises the importance in giving back to the community, which enhances G3 Global's brand and creates the spirit of team building. In doing so, it gives us the privilege to invest in activities that contribute to the wellbeing of the community and environment.

### Diversity and equal opportunity



G3 Global embraces all aspects of diversity within its workforce including gender, age, background, and experience. A diversified work environment is essential in helping employees feel included, fostering mutual respect, and increasing morale. From a business perspective, a workforce comprised of people with different backgrounds, experiences, and skills will lead to more innovation and creativity. We do not discriminate between gender for the position and we hire candidates who are best fitted for the job.

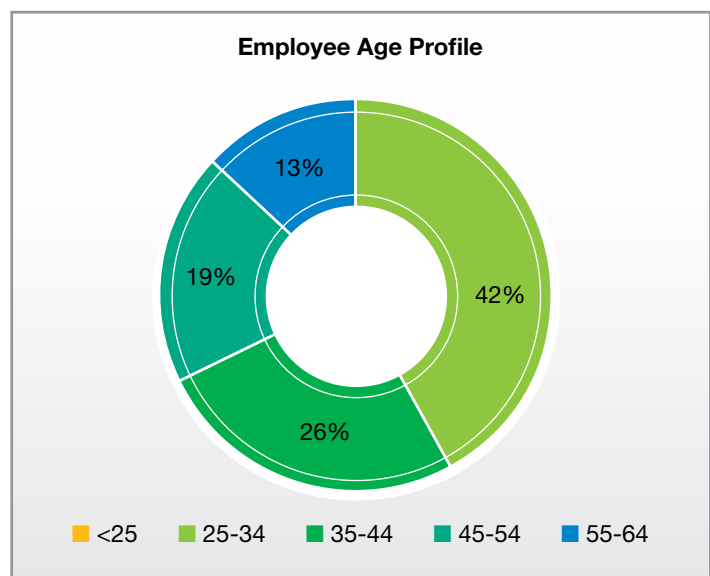
Optimising woman talent, gender equality becomes part of G3 Global's business strategy that demonstrates our commitment to creating a pipeline for women's participation in the business.

In FY 2020, G3 Global's workforce comprises 61% of males and 39% of females in the year 2020. One-third of our workforce represented females from Vice President to Associate / Executive level.

Gender	Year 2019	Year 2020
Male	69%	61%
Female	31%	39%

Despite the limited women Malaysia's talent pool in the IT sector, we have taken initiatives to develop gender equality, diversity, and inclusion programs in FY 2020.

Our Group's workforce age group majority are between 25 to 54 years old which comprises 87% (FY 2019: 97%) of total employees whereas the remaining 13% (FY 2019: 3%) comprises experienced employees, who are above 55 years old. With the large pool of millennial employees, who are also digital natives, we are confident that G3 Global's business can create innovation on new technology in responding to the challenges of the new era and increasingly rapidly changing technology sector.



## SUSTAINABILITY STATEMENT (CONT'D)

Age Group	Year 2019	Year 2020
Below 25	3%	0%
25-34	42%	42%
35-44	46%	26%
45-54	6%	19%
55-64	3%	13%

Our multiracial profile and recognised ethnically diversified workforce in Malaysia contribute different skills, experience, perspective and the flexibility to adapt to different customer demands. As G3 Global is expanding its business, we are committed to building a team that represents a variety of backgrounds, perspectives, and skills. Our approach to inclusion and diversity has provided a better opportunity for G3 Global especially in times where we are moving towards a rapidly changing era.

### Occupational health and safety

G3 Global has always been committed to providing our employees with a stable and conducive work environment where there is equal opportunity for innovating, learning, and growing. Our Health and Safety Policy was established to provide effective safety management at the workplace and manage the safety risk and associated with G3 Global's business operation.

In FY2020, the spread of Covid-19, it is without a doubt safety and health of employees are paramount but job security and livelihoods as well. We undertook the following measures to curb the spread of Covid-19:

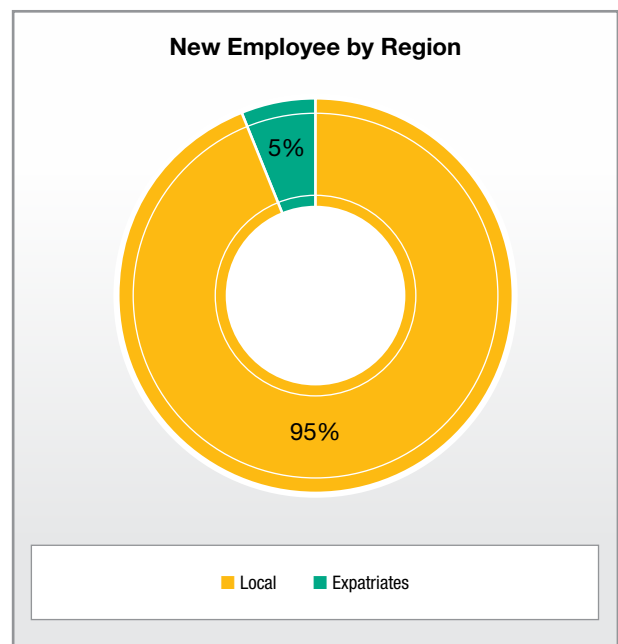
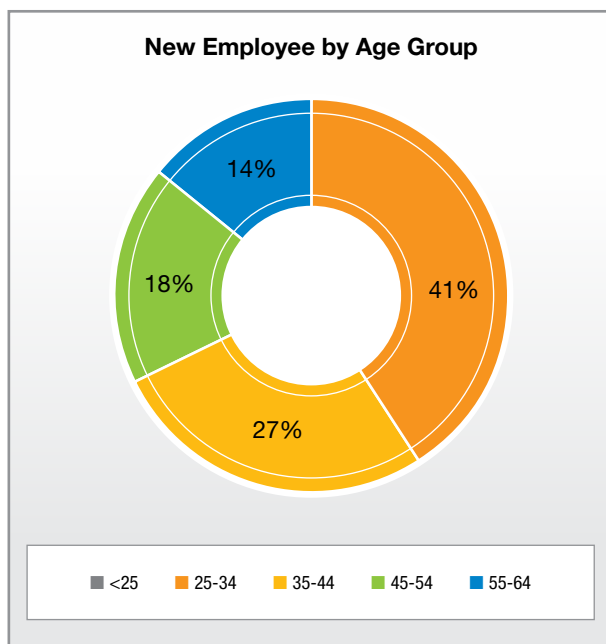
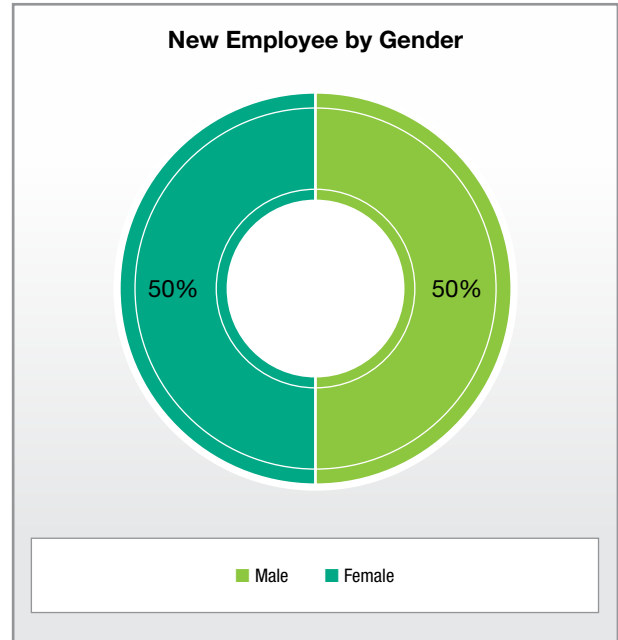
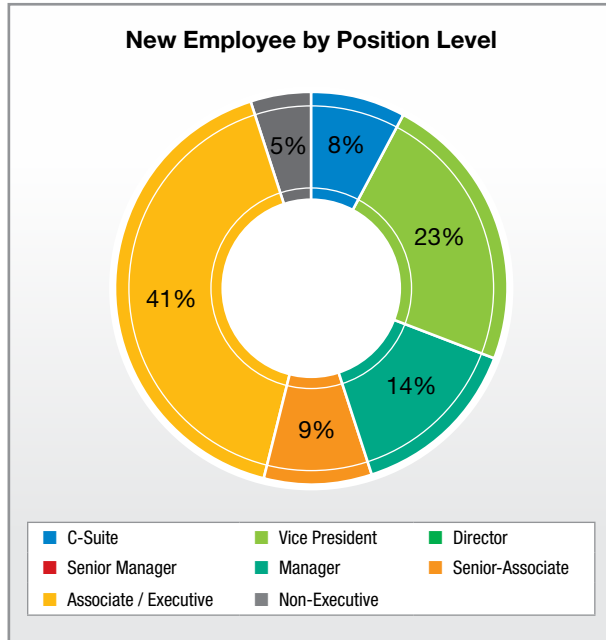
- We allowed our employees to work from home ("WFH") for continuity to serve our client remotely. During the period of WFH, our employees must remain contactable at all times and we encourage the Superior to conduct a daily meeting with the team to maintain quality and efficiency.
- We encourage our employees to avoid all face-to-face meetings and attend business travels.
- We have established preventive measures on Covid-19 SOP which aligned with the guidelines established by the Ministry of International Trade and Industry's ("MITI") and Ministry of Health ("MOH"), including practice social distancing, perform regular disinfection activities, and provide face mask, hand sanitisers to all employees and perform temperature checking on employees and visitors.

### Employment

In attracting top talents, we are committed to creating a work environment that protects our employees' rights by complying with all applicable laws and regulations. Our management of employees is guided by a Code of Conduct and Ethics, and Employee Handbook.

In FY 2020, we hired a total of 22 new permanent employees from the C-Suite level to the Non-Executive level which comprises 95% of local and 5% of expatriates. We hired 50% of male employees whereas 50% of female employees. In the age group, we hired 86% of employees between 25 to 54 years old, and the remaining 14% are our experienced employees' age above 55 years.

## SUSTAINABILITY STATEMENT (CONT'D)



We recognised employees' contribution to the Group's success. Our employee benefits programmes are designed to meet the needs of a diverse workforce, which include offering competitive remuneration package, compensation, and benefits (i.e. hospitalisation and surgical plan, personal accident insurance, leave benefits, and travel allowances).

## SUSTAINABILITY STATEMENT (CONT'D)

<b>Insurance</b>	<ul style="list-style-type: none"> <li>Group hospitalisation and surgical Plan, Personal accident insurance</li> </ul>
<b>Leave</b>	<ul style="list-style-type: none"> <li>Examination leave, maternity and paternity leave, compassionate leave, prolonged illness leave and marriage leave, Haji leave</li> </ul>
<b>Allowance</b>	<ul style="list-style-type: none"> <li>Travelling allowance including mileage and subsistence allowance, handphone allowance and overseas training/work allowance</li> </ul>

Source: Extracted from Employee Handbook

### Succession planning

Retaining key employees is crucial to ensure business success. Succession plans are put in place for critical positions to ensure sustainability in terms of continuous effective and efficient operations within the Group and a healthy leadership pipeline. The critical position is defined as a position that would have a significant impact on the organisation. G3 Global continuously develops talent through the identification of training needs and promotes internal leaders who can lead G3 Global to the next phase.

### Customer privacy

We take our responsibility to ensure the privacy and security of our customers' data and personal communications seriously. We are committed to complying with the requirements set out in the Personal Data Protection Act 2010 ("PDPA"), which protects all personal data collected, processed, and retention of data. Confidentiality information has been incorporated in our employee's Code of Conduct and employment letter in which disciplinary action will be taken on those employees who found a violation of our policy.

A sound data security infrastructure and data management practices form the backbone of our approach in safeguarding customer privacy. We have established IT policy as a guideline to all users on access management, network security, and cloud storage data. To further strengthen IT security, password protection, firewall, and anti-virus application are in place.

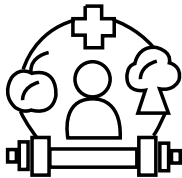
We do not have any complaints on data privacy leakage during the reporting period (FY2019: Nil).

### Innovation and digital transformation

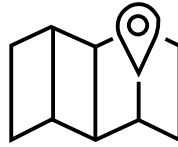
G3 Global's innovative and comprehensive products and services drive the digital transformation of Malaysia. Our collaboration with SenseTime Group Limited ("SenseTime") ensures the AI solutions we bring are of global best standards meeting the needs of Malaysian corporates as well as support the curbing of COVID-19 pandemic. Through our innovative product and services, we deliver digital solutions that build businesses, communities, and economic growth.



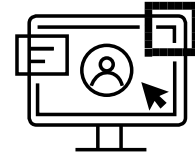
## SUSTAINABILITY STATEMENT (CONT'D)



**Lifestyle**



**Places**



**Experience**

During the pandemic, G3 Global realised the urgent need to enhance and sustain the epidemic prevention. G3 Global collaborated with SenseTime allowing G3 Global adopted SenseTime's AI solutions to assist local businesses and government agencies in curbing the outbreak. This included high facial recognition accuracy and traceable temperature measurement to measure body temperature in the most efficient way at high traffic location.

### Training and development

Following Government's implementation of movement control order ("MCO") and restricted movement control order ("RMCO") to contain the spread of the virus, G3 Global postponed and cancel in-person meetings, with effect from 18 March 2020. We organised online meetings and hybrid trainings for customers during Covid-19, mainly for employees' safety while ensuring businesses were not affected.

G3 Global continues to focus on and nurture a learning culture and we aim to support our talent in achieving their ambitions by enabling them to explore new opportunities and build expertise. Providing learning and development opportunities to our employees enabling them to be agile and remain resilient in an era of rapid technological advances. Training programmes are identified through discussion with the Heads of Department, based on the business strategy and needs, meeting regulatory requirements, and ensuring the development of technical, interpersonal, business, and management skills of our people.

In FY2020, our HR Department organised Anti-Corruption Awareness sessions for our employees to ensure employees are fully aware of the compliance of Malaysian Anti-Corruption Commission ("MACC") Act and G3 Global's Anti-Corruption and Anti-Bribery Policy. Total number of trainings for FY2020 was 24 hours (FY2019: 363 hours) mainly because we undergo a cost rationalisation exercise and more practical on the job training.

### Employees' Engagement

We understand communication, engagement, and connection are the most essential aspects to maintain great bonding among employees, achieve higher productivity and work efficiency, and for the growth of G3 Global in the long run.

G3 Global actively engages with employees through various activities to create a close bonding and motivating working environment. Various activities were organised to get employees close and develop a sense of belonging. We celebrated Hari Raya where our company distributed Hari Raya Gift Bags to all employees, and organised Hari Raya Lunch for the festive month. The birthday of the month celebration was organised to keep the connection in the friendly working environment. We sponsored cakes and food for lunch to all employees in the office.

We gathered all employees in the office for lunch gatherings which help to build and maintain a positive relationship within the company. However, following the continued spread of Covid-19, we temporarily postponed all celebration functions and activities until further notice.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors acknowledges the importance of maintaining good corporate governance within the Group to safeguard the interest of its shareholders and strives to continuously improve the effective application of the principles and best practices as laid down in the Malaysian Code on Corporate Governance issued in 2017 (“MCCG”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This Corporate Governance Overview Statement (“CG Overview Statement”) is prepared in compliance with paragraph 15.25(1) of Bursa Securities’ Main Market Listing Requirements. It provides an overview on how the Company has applied the practices encapsulated in the following three (3) Key Principles of the MCCG, and the Board’s current key focus areas and future priorities in relation thereto:

- **PRINCIPLE A**  
**Board Leadership and Effectiveness**
  - Board Responsibilities
  - Board Composition
  - Remuneration
- **PRINCIPLE B**  
**Effective Audit and Risk Management**
  - Audit Committee
  - Risk Management and Internal Control Framework
- **PRINCIPLE C**  
**Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**
  - Communication with Stakeholders
  - Conduct of General Meetings

This CG Overview statement is to be read together with the Corporate Governance Report 2020 (“CG Report”) of the Company which discloses the details of the Company’s application of each practice set out in the MCCG. The CG Report is available on Company’s website at [www.g3global.com.my](http://www.g3global.com.my) and announcement on the website of Bursa Securities.

The Board is pleased to report that the Group and the Company have complied with most of the Practices set out in the MCCG throughout the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### BOARD RESPONSIBILITIES

The Board's primary responsibility is to oversee, guide and monitor the affairs of the Group and the Company. This includes without limitation, the review of the strategic directions for the Group and the Company, overseeing its business operations, and evaluating whether these are being properly managed to achieve the goals and objectives set.

The Board's duties and responsibilities, amongst others, including the following:

- Reviewing and adopting a strategic plan for the Group and the Company;
- Overseeing the conduct of the Group's and of the Company's business to evaluate whether the business is being properly managed while the statutory requirements are being complied;
- Ensuring there are adequate resources to meet the Group's and the Company's strategic goals and objectives;
- Responsible for corporate sustainability;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning for the Board members, Chief Executives and key senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Ensuring the adequacy of the management information and internal control systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines in the Group.

During the financial year, the Board has made operational transformation within the Group as its one of the **key focus areas** through stringent streamlining and resource rationalisation in order to achieve operational efficiency. This had made the Group to be more resilient and stronger in the market to tackle the decline in the economy which is affected by COVID-19 pandemic. Moving forward, the Board will continue with its **priority** to ensure it discharges its governance responsibilities effectively, while to ensure the Group's business sustainability.

The Board is chaired by an Executive Chairman, Datuk Wan Khalik Bin Wan Muhammad who leads the Board in its collective oversight of the overall management and performance of the Group and the Company while instilling positive culture and good corporate governance with the Group. The combination of Executive Directors, who with their intimate knowledge of the business takes on primary responsibility for leadership of the Company with the Non-Executive Directors and Independent Directors, provides a broader view to the Company's activities and a balanced perspective. The Board is guided by the Board Charter in discharging its duties and fiduciary obligations to the Group and Company.

#### Company Secretary

The Board is supported by a Company Secretary who is an associate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is qualified to act as Company Secretary under Section 235 of the Companies Act 2016.

#### Separation of position of Board Chairman and Managing Director

The Company has been practicing good corporate governance to ensure the overall integrity of the Company by having the position of Chairman and Managing Director held by different individuals. The Board has delegated to the Managing Director the authority for implementation of the Company's business plans and managing the operational activities and financial performance of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### Board Committees

The Board has also established the following committees to assume some specific stewardship responsibilities:

- i. Risk Management Committee
- ii. Audit Committee
- iii. Nomination Committee
- iv. Remuneration Committee

### Board Meetings

In discharging the role and responsibility vested on the Board, the Board meets on a scheduled basis once in every quarter to primarily discuss the financial statements, corporate and strategic issues, performance of business units and factors relating to potential risk in the business of the Group. During the financial year under review, four (4) Board meetings were held and the record of attendance of the members is as follows:

NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED/ NO. OF MEETINGS HELD
Datuk Wan Khalik Bin Wan Muhammad	4/4
Datuk Haji Khan Bin Mohd Akram Khan	4/4
Mr Lai Chin Tak	4/4
Mr Puan Chan Cheong	4/4
Mr Yong Kim Fui	4/4
Encik Salihin bin Abang	4/4
Encik Ahmad Rizan bin Ibrahim	4/4
Mr Dirk Johann Quinten	4/4
Dr. Tee Kim Siong (appointed on 12 October 2020)	1/1
Mr Tan Kay Yen (resigned on 12 October 2020)	3/3
Mr Liew Kok Seong	3/3
(Alternate Director to Mr Tan Kay Yen) (ceased on 9 October 2020)	

All notices of meetings together with the agenda and discussion papers are served on the Directors in advance of meeting dates. Ample opportunities have been provided to the Directors to make enquiries and to obtain information and explanation on any issue at any time within the Group whether as a full Board or in their individual capacity in furtherance of their duties.

The availability of the Company Secretary, financial and corporate officers within the Group as well as the engagement of panel lawyers enables the Directors to have easy access to their advice and services. They may take independent advice, at the Company's expense, if so required.

### Board Charter

The Board has established a Board Charter that clearly sets out the principal role of the Board, the demarcation of the roles, functions, responsibilities and powers of the Board, the Board Committees and the management. It also defines the specific accountabilities and responsibilities of the Board to ensure smooth interaction between the management and the Board. It also reinforces the overall accountability of the Board and management towards the Company and stakeholders.

### Code of Conduct and Ethics

The Board in discharging its functions has observed the Code of Conduct and Ethics for Company Directors issued by the Companies Commission of Malaysia, the requirements of the Companies Act, 2016 and the principles of MCCG. The Board has additionally put in place a Code of Ethics for all employees of the Group, including the Whistleblower Policy of the Group. During the financial year, the Board has also adopted the Anti-Bribery and Corruption Policy for the Group and the Company in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which is supplemental to the Company's Code of Conduct and Ethics.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### Whistleblowing Policy

The Board has put in place the Whistleblowing Policy in 2013 setting out all policies and procedures. The Whistleblowing Policy is established and designed to encourage all Directors, Employees, Business Partners as well as other external parties (including customers of the Group) to raise their concerns and further disclose any Improper Conduct or the breach of the Group's Anti-Bribery and Corruption ("ABC") policy.

### BOARD COMPOSITION

The Board composition comprises of nine (9) members with Datuk Wan Khalik Bin Wan Muhammad at the helm as Executive Chairman. Three (3) of the Directors are Executive Directors, two (2) are Non-Independent Non-Executive Directors while the remaining three (3) are Independent Non-Executive Directors.

The composition of the Board is deemed fairly balanced to complement the Board in providing industry-specific knowledge, technical, and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgment to various aspects of the Company's strategies and performance. The structure of the Board also fairly reflects the investment of the minority shareholders through Board representation. The Board reviews its composition and size from time to time for appropriateness. The key focus area of the Board is to ensure that each of the decisions made by the Board are fair and for the best interest of the Company while safeguarding the interest of the shareholders.

Presently, there are no woman directors sitting on the Board and the Board does not have a gender diversity policy. The Board will fulfill the gender diversity representation when the opportunity arises.

### Role and activities of Nomination Committee

The Board had established a Nomination Committee ("NC") on 3 December 2003. The NC comprises three (3) members, exclusively of Independent Non-Executive Directors, and is chaired by an Independent Non-Executive Chairman as per Practice 4.7 of the MCGG. The current NC comprises of the following:

- Mr Lai Chin Tak, Independent Non-Executive Director (Chairman)
- Mr Yong Kim Fui, Independent Non-Executive Director (Member)
- Encik Salihin Bin Abang, Independent Non-Executive Director (Member)

The Board has delegated to the NC the following responsibilities:

- i) Nomination and appointment process for new Directors, Board Committee members and Key Senior Management, and its succession planning.
- ii) Assessment of effectiveness and performance of the Board, Board Committees and individual Directors.

The NC had performed the following activities during the financial year:

- a) Conduct recruitment process to identify, select and evaluate candidates for recommendation to the Board for appointment as additional Directors, Managing Director and Chief Executive Officer;
- b) Review the Board composition and recommend re-designation of Directors to enhance Board efficiency and effectiveness;
- c) Perform an annual assessment on the effectiveness of the Board, Board committees and individual Directors;
- d) Review the term of office and performance of the Audit Committee;
- e) Review the training need of Directors;
- f) Recommend the re-election of retiring Directors based on the outcome of annual assessment; and
- g) Review the Terms of Reference of NC.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## [CONT'D]

### Nomination and appointment process

The NC considers and recommends to the Board candidates for directorship, proposed by the Managing Director, any senior management or any director or shareholder, or outsourced service providers, taking into consideration the candidates' skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity. For the position of independent non-executive directors, the nomination committee will evaluate the candidates' ability to discharge such responsibilities as expected from independent non-executive directors. the NC ensures that the assessment of the candidates is performed objectively.

- (a) Before determining the need for recommending any appointment by the Board, the NC evaluate the strength, balance of skills, knowledge, experience and level of diversity on the Board and senior management, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NC may use open advertising or the services of external advisers to facilitate the search; consider candidates from a wide range of backgrounds;
- (b) Consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position; and
- (c) When recommending to the Board for candidates to fill the seats on Board Committees, the NC will consult with the Chairman of those Board Committees. In the event that the Chairman position is to be filled, the NC will consult with the Board.

### Annual Assessment Process

- The NC annually reviews the required mix of skills, experience, diversity and other qualities, including overall core competencies and effectiveness of the Board, the Board Committees and contribution of each individual Directors. All evaluation carried out by the NC in the discharge of its functions should be properly documented.
- The assessment is performed annually and internally facilitated. The evaluation process is facilitated by the Company Secretary.
- The Performance Appraisal Forms are designed with reference to the performance evaluation criteria and assessment as recommended in the Corporate Governance Guide for conducting the annual assessments of Board and Board Committees and individual Directors, and assesses the independence of the Independent Directors.
- Prior to NC meeting, the respective Performance Appraisal Forms are circulated to the NC members and all Board members via electronic-mail.
- The Company Secretary compiles and summarises the performance rating to facilitate the NC review.
- At the NC meeting, the NC discusses the performance of the Board and Board Committees, and each individual Director.
- The NC then reports the outcome of the assessments to the Board for its review.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### Re-election of Directors

In accordance with the Company's Constitution, at the first Annual General Meeting ("AGM") of the Company, all the Directors shall retire from the office and be eligible for re-election and an election of Directors shall take place each year at the AGM of the Company where one third (1/3) 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 (1/3) shall retire from office and be eligible for re-election. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. For new appointed Director, such Director shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

### Conflict of interest

Directors are required to declare their respective shareholdings in the Company and related companies and their interests in any contracts with the Group. The Board members' directorship in other companies are well within the restriction of not more than five in public listed companies as stated in the listing requirements of Bursa Malaysia.

### Directors' Training

The Directors are aware of the need for continuous update of their skills and knowledge to maximize their effectiveness as Directors and assist them in discharging their duties during their tenure of service. The Board has also undertaken an assessment of the training needs of each director.

All the Directors have attended the Mandatory Accreditation Programme as required under the Bursa Malaysia Main Market Listing Requirements.

During the financial year, members of the Board have attended various training programmes and seminars, some of which are as follows:

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## [CONT'D]

### Training Programmes Attended:

Director	Topic	Date
Lai Chin Tak	Understanding the Evolving Cybersecurity Roadmap	11 February 2020
	Webinar: Covid-19 and Current Economic Reality: Implications for Financial Stability	14 April 2020
	Webinar: Outthink the Competition: Excelling in a Post Covid-19 World	5 May 2020
	Webinar: Challenging Times: What Role Must the Board Play?	15 May 2020
	Board Educational Series: a) Guidelines on Adequate Procedures Gap Analysis Report and Corruption Risk Management b) Implementation of MFRS 17 Insurance Contracts: Technical Accounting Papers (Batch 3)	4 June 2020
	ESG Trends & Regulatory Developments	11 June 2020
	Webinar: Risks: A Fresh Look from the Board's Perspective	8 July 2020
	Webinar: Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses	21 July 2020
	Special online presentation of "Banking on Governance, Insuring Sustainability"	4 August 2020
	Webinar: Digital FI Series: A European Perspective - Fidor Bank's Digital Banking Experience	13 August 2020
	Managing Political Risks	25 August 2020
	BNM-FIDE FORUM Annual Dialogue with Governor of Bank Negara Malaysia	3 September 2020
	Board Educational Series: a) Anti-Money Laundering & Countering Financing of Terrorism - Regulatory Development and Internal Process b) Sustainability - Getting the Board on Board c) The Future in Question: Economic Cycles, Technology and Cyber Security d) Implementation of MFRS 17 Insurance Contracts: Technical Accounting Papers (Batch 5)	5 November 2020
	Webinar - Green Fintech: Ping An's journey to becoming a top ESG performing Financial Institution	11 November 2020
	FIDE Core Program Module B: Insurance [Board Simulation]	11 December 2020
Dirk Johann Quinten	MACC Section 17A Training	17 August 2020
Datuk Haji Khan Bin Mohd Akram Khan	MACC Section 17A Training	17 August 2020
Datuk Wan Khalik Bin Wan Muhammad	ABC Policy	11 May 2020
Ahmad Rizan bin Ibrahim	MACC Section 17A Training	17 August 2020

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Director	Topic	Date
Yong Kim Fui	4 practice skills for leaders in the Age of uncertainty and digital disruption	13 & 20 July 2020
	MCO Debt and Business Restructuring Key Legal, Employment and Tax Considerations	11 September 2020
	Insight into due diligence – Tax, Legal and Financing Aspects	24 September 2020
Salihin Bin Abang	Audit Technology: CaseWare Training	11 February 2020
	Risk Oversight Practices & Corporate Culture and ERM	2 March 2020
	MFRS 16: Lease Accounting	13 March 2020
	Stakeholder Engagement- Stakeholder Primary: Increase Emphasis on ESG	6 April 2020
	Digitalisation: Review Competitive Strategies using AI: A Board's Perspective	7 April 2020
	Crisis Management: Readiness, Response & Recovery's Perspective	8 April 2020
	Authentic Leadership - Leadership Today: Authentic, Open & Transparent	9 April 2020
	Digitalisation: Cybersecurity Consideration Amid A Global Pandemic	13 April 2020
	Crisis Management: Managing HR for the Long Haul: Road to Recovery	15 April 2020
	Stakeholder Engagement: In Times of Crisis: Stakeholders Take Centre Stage	16 April 2020
	Crisis Management - Leading Through Crisis and Uncertainty: Harnessing Mental Health and Resilience to Navigate Storms of Change	20 April 2020
	Report of the MIER National Economic Outlook 2020/2021	23 April 2020
	A Change for Better Comparability and Transparency of Companies' Performance Reporting	27 April 2020
	Tax Matters on Covid-19 Stimulus Package	27 April 2020
	COVID-19 Impact on Accounting, Reporting and Internal Controls - Brief Comments	28 April 2020
	Impact of Covid-19 on Audit of Financial Statements	30 April 2020
	Audit of Key Concerns Due to Covid-19 Outbreak and Under MCO Circumstances	7 May 2020
	Governance in the New Norm	12 May 2020
	Accounting for COVID-19	13 May 2020
	Integrated Reporting and Impact of COVID-19 on Value Creation	22 May 2020
	The Mindset to Adopt During a Crisis	11 June 2020
	Strategic Tax Initiatives Post COVID-19	19 June 2020
	Section 17A MACC: Anti Bribery and Corruption from Islamic Perspective	17 July 2020
	MACC Section 17A Training	17 August 2020

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## [CONT'D]

Director	Topic	Date
Salihin Bin Abang	National Tax Conference	25-26 August 2020
	Seminar on Unpacking Corporate Liability Section 17A of the MACC Act 2009 and the Guidelines on Adequate Procedures for Practical Application	15 September 2020
	The role of Board of Director in Malaysian Public Listed Companies	29 October 2020
	The Future of Accounting Is Here	5 November 2020
	2021 BUDGET SEMINAR	13 November 2020
	Qualified Risk Director Series 15: Directors guide to GRC (Governance, Risk and Compliance)	30 November 2020
	Qualified Risk Director Series 16: Governance and ERM, Including MCCG 2017 Considerations	30 November 2020
Puan Chan Cheong	The Malaysian Anti-Corruption Commission Act 2009, Section 17A Corporate Liability	27 February 2020
	Business routable, Malaysia Economic Recovery with Tun Mahathir	8 July 2020
	Mid-year Global Macro Outlook	16 July 2020
	Technology Partnership for Banking and Education Summit	23 July 2020
	National Education and Learning Summit 2020	28 July 2020
	The Digital Transformation Ecosystem	10 August 2020
	Improving Operational Resilience: What to do Before the Next Crisis Strikes	18 August 2020
	Malaysian Digitalization Forum	6 October 2020
	The Role of Infrastructure in Economic Recovery	2 November 2020
	BRI POST COVID 19 "New Opportunities and Challenges"	10 November 2020
	APEC RE-IMAGINED: Priorities in the aftermath of COVID-19	19th November 2020

### REMUNERATION

The Remuneration Committee ("RC") was established on 3 December 2003. At present, the RC comprises three (3) members, exclusively of Independent Non-Executive Directors, and is chaired by an Independent Non-Executive Chairman. The members of the RC are as follows:-

- Mr Lai Chin Tak, Independent Non-Executive Director (Chairman)
- Mr Yong Kim Fui, Independent Non-Executive Director (Member)
- Encik Salihin Bin Abang, Independent Non-Executive Director (Member)

The RC was established with defined Terms of Reference as guidance in performing their duties. The RC assists the Board to establish and review the short-term, mid-term and long-term talent management and remuneration strategy of all levels of the Group as well as in setting the remuneration framework on remuneration packages for Directors and Senior Management.

The RC conducts an annual review of the remuneration packages of the Managing Director, Executive Directors, Non-Executive Directors and Senior Management, and makes recommendation to the Board. The RC is guided by the assessment outcome of the NC and the report of the Managing Director in its review of the remuneration packages. None of the individual Directors or the Chairman participates in the discussion and decision relating to their own remuneration.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## Directors' remuneration

The Board applies Practice 7.1 of the MCCG to disclose Directors' remuneration on named basis for individual Directors with detailed remuneration breakdown. The remunerations received or receivable by the Directors in respect of the financial year ended 31 December 2020 are disclosed below:-

### GROUP and COMPANY

#### Non-Executive Directors

No.	Name	Directors' Fees RM	Other Emoluments RM	Total RM
1.	Datuk Haji Khan Bin Mohd Akram Khan (Non-Independent Non-Executive Director)	25,000	Nil	25,000
2.	Puan Chan Cheong (Non-Independent Non-Executive Director)	25,000	Nil	25,000
3.	Encik Salihin Bin Abang (Independent Non-Executive Director)	50,000	Nil	50,000
4.	Lai Chin Tak (Independent Non-Executive Director)	55,000	Nil	55,000
5.	Yong Kim Fui (Independent Non-Executive Director)	50,000	Nil	50,000

#### Managing Director and Executive Directors

No.	Name	Salary & Allowance RM	Bonus RM	Directors' fee RM	Total RM
1.	Datuk Wan Khalik Bin Wan Muhammad (Executive Chairman)	Nil	Nil	30,000	30,000
2.	Dirk Johann Quinten (Managing Director)	200,247	80,000	14,583	294,830
3.	Ahmad Rizan Bin Ibrahim (Executive Director)	112,385	Nil	14,583	126,968
4.	Dr. Tee Kim Siong (Executive Director)	Nil	Nil	5,480	5,480

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The principal objective of the Audit Committee (“AC”) is to assist the Board of Directors in discharging its oversight responsibilities in the area of corporate governance, the integrity of the Group’s financial statements, risk management and the system of internal control.

The AC comprise solely of Independent Directors as per Practice 8.4 of the MCGG, its members are as follows:-

- Mr Yong Kim Fui, Independent Non-Executive Director (Chairman)
- Mr Lai Chin Tak, Independent Non-Executive Director (Member)
- Encik Salihin Bin Abang, Independent Non-Executive Director (Member)

To further enhance the independence of AC, the Board has applied Practice 8.2 of the MCGG to ensure that none of the AC members was a former key audit partner of the Group and the Company.

### Financial Reporting

Practice 8.5 of the MCGG recommends AC should possess an appropriate mix of skills, experience and expertise. The Directors provide a balanced and meaningful assessment of the Group’s position and prospects through the annual financial statements and quarterly announcements of results to the shareholders. The AC of the Board assists by scrutinising the information to be disclosed to ensure accuracy and adequacy. Practice 8.5 of the MCGG recommends AC should possess an appropriate mix of skills, experience and expertise. The Company’s AC possess a mix of accounting and financial expertise, as well as industry knowledge to enable them to assume the responsibility on overseeing the financial report of the Group and the Company effectively.

### Relationship with External Auditors

The Group has, through the AC, established a transparent and appropriate relationship with the Group’s External Auditors. The AC is responsible to oversee the relationships with the External Auditors, the selection process, review the scope of the audit, and monitor the independence and effectiveness of the External Auditors and remuneration payable to them. The AC assesses the suitability, objectivity and independence of the External Auditors as per Practice 8.3 of the MCGG before recommending to the Board on the appointment, removal or whether to put forward the Auditors for re-appointment at the AGM, and the Auditors’ remuneration.

## RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks.

The Board has delegated the duties to oversight the risk management and internal control to the Risk Management Committee which is supported by an internal audit firm.

They key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control as presented in the Annual Report 2020.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### Risk Management Committee

The Board set up a Risk Management Committee (“RMC”) in 2017 which comprises solely of Independent Directors, to oversee the Company’s risk management framework and policies. The RMC comprises of the following Directors:

En. Salihin bin Abang, Independent Non-Executive Director (Chairman)  
 Mr. Yong Kim Fui, Independent Non-Executive Director (Member)  
 Mr. Lai Chin Tak, Independent Non-Executive Director (Member)

The functions of the RMC include:

- Evaluating the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximise opportunities;
- Recommending to the Board steps to improve the system of internal control derived from proposed internal control through the identified potential risk by the Risk Management working group;
- Ensuring that the Board receives adequate and appropriate information including the annual risk report for decision making and review respectively;
- Commissioning where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company; and
- Reviewing and proposing the Company’s risk appetite and its acceptable tolerance level annually.

### Internal Audit Function

The Group’s internal audit function is outsourced to an independent professional firm, Tricor Axcelasia Sdn Bhd (formerly known as Axcelasia Columbus Sdn Bhd) (“Axcelasia”) which reports directly to the AC in monitoring risks and reviewing the soundness of the internal control framework. The internal audit work plan, which reflects the risk profile of the Group’s major business pillars is reviewed and approved by the AC.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

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

#### COMMUNICATION WITH STAKEHOLDERS

The Board ensures that the reporting to shareholders are timely, transparent and adequate, accountability the stakeholders has always been the key focus area of the Board.

#### Compliance with applicable Financial Reporting Standards

The Board takes responsibility for presenting a balanced and understandable assessment of the Group's operations and prospects each time it releases its quarterly and annual financial statements to shareholders. The Audit Committee reviews the reports to be released to ensure its accuracy and adequacy.

#### Dialogue between the Company and investors

The Company values dialogue with investors as a means of effective communication that enables the Board and management to convey information about the Group's performance, corporate strategy and other matters affecting shareholders' interest.

Information of the Group could be obtained from the Company's website at [www.g3global.com.my](http://www.g3global.com.my). In addition, the latest annual report available in PDF format can be downloaded and printed. Quarterly announcement are also available at the website of Bursa Malaysia at [www.bursamalaysia.com](http://www.bursamalaysia.com) after announcement to the public.

#### ANNUAL GENERAL MEETING ("AGM")

The AGM is the principal forum for dialogue with shareholders. The Board ensures that the Notice of AGM and Annual Reports are sent out to the shareholders at least 21 days before the date of meeting. Special business items are included in the notice of the meeting with sufficient explanatory notes to facilitate full understanding and evaluation of the issues involved.

The Company provides ample opportunity for shareholders to raise questions pertaining to the business activities of the Group. All the Directors are available to provide responses to questions from the shareholders during its AGM.

In view of current COVID-19 pandemic, the Company has prioritized its effort to leverage on technology, so that, shareholders could participate at the general meeting of the Company via an online platform.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) acknowledged their responsibility for the Group’s system of internal control and for reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objective. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, risk management and financial, organizational, operational and compliance control.

The Board has extended the responsibilities of the AC to include the work of monitoring internal controls on its behalf, which includes identifying risk areas faced by the Group to be communicated to the Board of Directors.

## INTERNAL AUDIT DIVISION

Axcelasia, an independent professional firm, was appointed to support the AC and existing independent audit function, and by extension, the Board, by providing independent assurance on the effectiveness of the Group’s system of internal control.

Axcelasia reports to the AC and contribute towards improving the Group’s risk management and control systems. In assessing the adequacy and effectiveness of the system of internal control and financial control procedures of the Group, the AC reports to the Board on its activities, significant audit findings and the necessary recommendations of actions needed to be taken by Management to rectify those issues.

The internal audit work plan is routinely reviewed and approved by AC. The scope of Axcelasia’s function covered the audit and review of the Group’s processes.

The cost incurred for the aforesaid internal audit function in respect of the financial year ended 31 December 2020 was RM56,000.

## RISK MANAGEMENT

The Board regards risk management as an integral part of business operations. The Group adopts an ongoing process of identifying, evaluating and managing any significant risks faced by the Group in its operations. The audit function undertakes the review and recommends any necessary actions to be taken to remedy any significant weaknesses identified.

## OTHER KEY ELEMENTS OF RISK AND CONTROL PROCESS

With the assistance of the Audit Committee and the Internal Audit function, the Board has the following control processes in place:

- The full Board meets on a quarterly basis to discuss matters brought to its attention, thus ensuring effective supervision over the operations of the Group are maintained. In addition, the Board is kept updated on the Group’s activities and its operations on a regular basis;
- An organizational structure with defined lines of responsibility and delegation of authority is in place. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability;
- Quarterly reviews by the Board on the adequacy and integrity of the system of internal control will be conducted, to establish the level of risk tolerance and identify key business risks to safeguard company assets; and
- Periodic testing of the effectiveness and efficiency of the internal control procedures were conducted by the internal audit function to ensure that the system is viable and robust.

There were no material losses incurred during the financial year as a result of weakness in internal control. The Board, together with Management, continues to take measures to strengthen the control environment.



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

### CONCLUSION

During the financial under review, the Board is satisfied that there is an ongoing process of identifying, evaluating and managing significant risk that may affect the achievement of the Group's corporate objectives for the year under review and up to the date of approval of this statement for inclusion in the annual report. The system of internal control will continue to be reviewed in line with the changes in the operating environment.

The Executive Directors have assured that the Group's Risk Management and Internal Control System is operating adequately and effectively, in all material aspect, based on the Risk Management and Internal Control System of the Group. There were no material or significant losses arising from deficiencies in internal control that would require separate disclosure in this Annual Report.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants for inclusion in this Annual Report. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of risk management and internal control system of the Group.

# AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of G3 Global Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2020.

## COMPOSITION OF COMMITTEE

During the financial year, the members of the Audit Committee are:

Mr. Yong Kim Fui, Independent Non-Executive Director (Chairman)  
 Mr. Lai Chin Tak, Independent Non-Executive Director (Member)  
 En. Salihin bin Abang, Independent Non-Executive Director (Member)

The current composition of the Audit Committee comprises three (3) members appointed by the Board from amongst the Board members. All the Audit Committee members are Independent Non-Executive Directors. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), which require the Audit Committee to consist of not fewer than three (3) members and all of them must be Non-Executive Directors with a majority of them being Independent Directors. The composition of members is also in line with Practice 8.4 – Step Up of the Malaysian Code on Corporate Governance.

The Chairman of the Audit Committee, Mr. Yong Kim Fui is a registered member of the Malaysian Institute of Accountants (MIA). He is also a Certified Practicing Accountant (CPA) in Australia. Whilst, Encik Salihin bin Abang is a past President of the Malaysian Institute of Accountants (MIA). His professional qualifications include Chartered Accountant [C.A.(M)], ASEAN Chartered Professional Accountant (ACPA), Fellow member of the Association of International Accountants (FAIA, UK), Fellow member of Chartered Tax Institute of Malaysia (FCTIM), a member of the Financial Planning Association of Malaysia (FPAM), Malaysian Association of Tax Accountants (MATA) and an honorary member of the Institute of Cooperative and Management Auditors (ICMA). Accordingly, these comply with paragraph 15.09(1)(c) of the Main Market Listing Requirements.

## OBJECTIVES

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its oversight responsibilities in the area of corporate governance, the integrity of the Group's financial statements, risk management and the system of internal control.

## AUTHORITY

The Committee is authorised by the Board to independently investigate any activity within its Terms of Reference.

The Committee is also authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee has full and unrestricted access to any information pertaining to the Group and the resources, which are required to perform its duties.

## AUDIT COMMITTEE REPORT (CONT'D)

### DUTIES

The duties of the AC include the following:

- \* To consider the appointment of the External Auditors, the audit fee, resignation or removal;
- \* To discuss with the External Auditors their audit plan before the audit commences, the nature and scope of the audit and ensure coordination where more than one audit firm is involved;
- \* To discuss problems and reservations arising from the interim and final audits, and any matters the external auditor may wish to discuss (in the absence of management where necessary);
- \* To review weaknesses in the system of internal control highlighted by the External Auditors;
- \* To review the effectiveness of the Internal Audit Function;
- \* To review and assess the performance of members of the Internal Auditors;
- \* To ensure that adequate assistance is given by the employees of the Company to the External Auditors during their course of audit;
- \* To ensure the adequacy of the scope and resources of the internal audit functions with the necessary authority for implementation;
- \* To review the internal audit programme and its findings, ensure that investigation is undertaken with the appropriate remedial action based on the recommendations of the internal audit function;
- \* To approve any appointment or termination of senior staff members of the Internal Audit function;
- \* To review the quarterly and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
  - i. Changes in or implementation of major accounting policies;
  - ii. Significant and unusual events;
  - iii. The going concern assumption; and
  - iv. Compliance with accounting standards and other legal requirements;
- \* To review management's monitoring of compliance with the Company's code of corporate conduct;
- \* To review with the Company's council, any legal matters that could have a significant impact on the Company's financial statements;
- \* To review the major findings of internal investigations and management's responses as well as any examinations by regulatory authorities;
- \* To review the allocation of options pursuant to share scheme for employees, transactions, procedure or course of conduct that raises questions of management integrity;
- \* To review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- \* Such other responsibilities as may be agreed to or by the Committee and the Board of Directors.

# AUDIT COMMITTEE REPORT (CONT'D)

## REVIEW OF THE AUDIT COMMITTEE PERFORMANCE

The Board had reviewed the terms of office and performance of the AC and each of its members, and was satisfied that the Audit Committee have carried out their duties effectively in accordance with their Terms of Reference.

## MEETINGS

The AC shall meet at least four (4) times per financial year. Additional meetings may be held at the discretion of the AC or at the request of external auditors. The quorum of the meeting is two (2) and majority of members present must be independent directors.

A representative of the Company's department heads and the external auditors shall normally attend the meeting as and when required. However, at least twice a year the Committee shall meet with the external auditors without the Executive Board members present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The procedures of the meeting are as follows:

- \* The members may regulate their meetings as they think fit;
- \* Every notice convening meetings shall specify the place, the day, time and the agenda of the meeting and shall be given to all members at least one day before the meeting;
- \* Any question arising at any meeting of members shall be decided by a majority of votes and a determination by a majority of members. In the case of an equality of votes the Chairman shall not have a casting vote including but not limiting to the case where the quorum is made up of only two (2) members;
- \* The minutes of the meetings shall be kept at the registered office of the Company; and
- \* The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee.

During the financial year ended 31 December 2020, four (4) meetings were held and the table of attendance of each committee member is as follows:

NAME	NO. OF MEETINGS ATTENDED
Mr. Yong Kim Fui	4/4
Mr. Lai Chin Tak	4/4
Encik Salihin bin Abang	4/4

# AUDIT COMMITTEE REPORT (CONT'D)

## SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

The activities of the AC for the financial year under review include the following:

1. Reviewing and recommending for the Board's approval on the quarterly financial results.
2. Reviewing with the External Auditors their audit plan and management letter.
3. Meeting up with the External Auditors twice in financial year 2020 without the presence of Executive Members.
4. Reviewing the draft Audited Financial Statements for the Board approval.
5. Reviewing with the Internal Auditors their audit plan, management letter and audit findings.
6. Reviewing the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
7. Considering the Audit and Non-Audit fees.
8. Assessing the performance of the External Auditors and recommending to the Board for re-appointment of External Auditors of the Company.
9. Reviewing the recurrent related party transactions and any related party transaction and conflict of interest situation.
10. Discussing various significant noted within the Group and operating environment.

## INTERNAL AUDIT AND RISK MANAGEMENT

The AC oversees the Internal Audit function. With the assistance of an outsourced independent internal auditors, namely Axcelasia, the AC reviews the Group's risk management and internal control process that Management has put in place. The Internal Auditors report directly to the Audit Committee. Their role is to provide the AC with independent and objective reports on the state of internal controls for high risk areas of the Group and the extent of compliance with established policies and procedures.

### Activities of the Internal Audit function

The activities of the Internal Audit Function during the financial year ended 31 December 2020 include the following:

- \* Conduct internal audit reviews on operational and financial risks of the Group; and
- \* Reporting the results of the internal audit and making recommendation for appropriate actions to be taken and being carried out to mitigate probable risk areas.
- \* Review of Group's key policies and procedures
- \* Conduct assessment on crisis management and communication plan
- \* Perform follow-up assessment on management's implementation of prior internal audit recommendations



## OTHER INFORMATION

### UTILISATION OF PROCEEDS

There were no corporate proposals undertaken by the Company to raise funds during the financial year ended 31 December 2020.

### AUDIT AND NON-AUDIT FEES

During the financial year, audit fees and non-audit fees paid to the external auditors by the company and the Group incurred for services rendered are as follows:

	Company	Group
Audit Fees	RM36,000	RM86,000
Non-audit Fees	RM32,000	RM32,000

Non-audit fees are tax compliance fees paid to a company in which certain partners of the external audit firm are Directors and shareholders.

### LIST OF PROPERTY

There was no property held by the Company during the financial year ended 31 December 2020 and the Company does not adopt any revaluation policy on landed properties.

### MATERIAL CONTRACTS

There were no further material contracts entered, except disclosed below, by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at 31 December 2020 or entered into since the end of the previous financial year.

Atilze AI Sdn Bhd, a wholly-owned subsidiary of the Company has on 9 October 2020 received a Letter of Intent (LOI) on even date from Technology Park Malaysia for the proposed development of Phase 3 Technology Park Malaysia, Bukit Jalil.

### CORPORATE SOCIAL RESPONSIBILITY

There were no corporate social responsibility activities or practices undertaken by the Group for the financial year.

## OTHER INFORMATION (CONT'D)

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Recurrent related party transaction of revenue or trading nature for the financial year ended 31 December 2020 made pursuant to a shareholders' mandate are as follows:

Company in G3 Global Group	Transacting Party /Provider	Recipient	Nature of transactions	Related Party	Amount approved at AGM on 29 July 2020 (RM)	31 Dec 2020 (RM)
Atilze	Atilze	Green Packet, Green Packet (S) Pte Ltd	Sales of Wireless Equipment and Router	Green Packet, Green Packet (S) Pte Ltd, Green Packet Holdings Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	10,000,000	2,020,848
Atilze	Green Packet, Roadmio Technologies Pte Ltd	Atilze	Purchases of Connected Car Devices	Green Packet, Green Packet Holdings Ltd, Roadmio Technologies Pte Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	10,000,000	–
G3 Global	G3 Global, Maasdots	Tasstech	Provision of AI, ICT products and E-commerce platform services	YM Raja Muhammad Badiuzzaman Bin Raja Chulan, Tasstech	12,000,000	761,042
G3 Global	Tasstech	G3 Global	Provision of Shared Services – IT involving network infrastructure and services and estimated monthly rental of RM50,000 at corporate offices located in IOI Tower 2, Level 17	YM Raja Muhammad Badiuzzaman Bin Raja Chulan, Tasstech	4,600,000	–

**OTHER INFORMATION (CONT'D)**

<b>Company in G3 Global Group</b>	<b>Transacting Party / Provider</b>	<b>Recipient</b>	<b>Nature of transactions</b>	<b>Related Party</b>	<b>Amount approved at AGM on 29 July 2020 (RM)</b>	<b>31 Dec 2020 (RM)</b>
AG3, G3 Global	Green Packet, Kiplepay	AG3, G3 Global	Provision of e-wallet as a service, setting up e-commerce platform, payment gateway and digital marketing services	Green Packet, Kiplepay, Green Packet Holdings Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	12,000,000	–
G3 Global, AG3, Maasdots, Atilze AI, Myedge AI	AGA Touch , Clarity, AGA Global	G3 Global, AG3, Maasdots, Atilze AI, Myedge AI	Procuring of Big Data services involving complex and massive data analytics techniques and technologies	AGA Touch, AGA Global, Clarity, Datuk Haji Khan, Datin Yasmine	4,000,000	–
G3 Global	G3 Global	Green Packet, Kiplepay, Kiple	Distributorship for AI equipment and services such as thermal scanners, face recognition systems and backend software.	Green Packet, Kiplepay, Kiple Green Packet Holdings Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	18,000,000	26,550

## DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and information and communication technology.

The principal activities of the subsidiaries are disclosed in Note 5 to the Financial Statements.

### FINANCIAL RESULTS

	<b>Group RM</b>	<b>Company RM</b>
Loss for the financial year	<u>13,394,840</u>	<u>25,568,160</u>
<u>Attributable to:-</u>		
Owners of the Company	13,388,222	25,568,160
Non-controlling interests	<u>6,618</u>	<u>-</u>
	<u>13,394,840</u>	<u>25,568,160</u>

### DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The Directors do not recommend any dividend payment for the financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital was increased from RM74,302,576 to RM74,316,236 by the issuance of 136,600 new ordinary shares pursuant to warrants exercise at the exercise price of RM0.10.

## DIRECTORS' REPORT (CONT'D)

### ISSUE OF SHARES AND DEBENTURES (CONT'D)

The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

### WARRANTS

The salient features of the Warrants are disclosed in Note 13 to the Financial Statements.

Details of Warrants issued to Directors are disclosed in the section on Directors' interest in this report.

### DIRECTORS

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

#### Directors of the Company:-

Datuk Wan Khalik Bin Wan Muhammad  
 Datuk Haji Khan Bin Mohd Akram Khan  
 Dirk Johann Quinten  
 Salihin Bin Abang  
 Lai Chin Tak  
 Ahmad Rizan Bin Ibrahim  
 Puan Chan Cheong  
 Yong Kim Fui  
 Dr. Tee Kim Siong (Appointed on 12 October 2020)  
 Tan Kay Yen (Resigned on 12 October 2020)  
 Liew Kok Seong (Resigned on 9 October 2020)

#### Directors of the subsidiaries:-

Lim Boon Hong  
 Md. Radzi Bin Din  
 Wang Zhijun  
 Xue Feng  
 Zhao Shounian  
 Cheok Tuan Oon (Appointed on 30 October 2020)  
 Dato' Rathakrishnan A/L Vellaisamy (Appointed on 22 October 2020)  
 Jeremy Khalif Lee Pheng Yau (Appointed on 16 June 2020)  
 Syazrul Shah Bin Ghadzali (Appointed on 19 November 2020 and resigned on 21 April 2021)  
 Abdullah Junaidi Bin Monil (Appointed on 21 April 2021)  
 Datuk Iskandar Bin Abdul Malik (Resigned on 11 September 2020)  
 Goh Kok Beng (Resigned on 30 October 2020)  
 Goh Kok Heng (Resigned on 30 October 2020)  
 Goh Kok Peng (Resigned on 30 October 2020)  
 Yeoh Yeow Cheang (Resigned on 30 October 2020)  
 Y.M. Raja Muhammad Badiuzzaman Bin Raja Chulan (Resigned on 22 October 2020)  
 Wan Siok Theng (Resigned on 22 April 2020)

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings as required to be kept under Section 59 of the Companies Act, 2016, the beneficial interests of Directors in office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number of ordinary shares			
	At <u>1.1.2020</u>	<u>Bought</u>	<u>Sold</u>	At <u>31.12.2020</u>
<b>The Company</b>				
<u>Direct interest:-</u>				
Puan Chan Cheong	-	5,450,000	(200,000)	5,250,000
<u>Deemed interests:-</u>				
Puan Chan Cheong	132,000,000	-	-	132,000,000
Datuk Wan Khalik Bin Wan Muhammad	132,168,700	-	-	132,168,700
Datuk Haji Khan Bin Mohd Akram Khan	132,168,700	-	-	132,168,700

	Number of warrants			
	At <u>1.1.2020</u>	<u>Bought</u>	<u>Converted</u>	At <u>31.12.2020</u>
<b>The Company</b>				
<u>Deemed interests:-</u>				
Puan Chan Cheong	76,312,500	-	-	76,312,500

By virtue of their interests in the shares of the Company, Datuk Wan Khalik Bin Wan Muhammad, Datuk Haji Khan Bin Mohd Akram Khan and Puan Chan Cheong are also deemed interested in the shares of all the subsidiaries, to the extent that the Company has interests.

Other than as disclosed above, 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' REMUNERATION AND BENEFITS

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

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the Note 19 to the Financial Statements) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.



## DIRECTORS' REPORT (CONT'D)

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors of the Company during the financial year amounted to RM3,185. There are no indemnity coverage and insurance premium paid for Officers of the Company during the financial year.

### OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:-

- (i) no contingent liability or other liability of the Group and of the Company have 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; and
- (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (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 current financial year in which this report is made.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

The significant events during the financial year and subsequent events after the reporting period are disclosed in Notes 29 and 30 to the Financial Statements.

**DIRECTORS' REPORT** (CONT'D)**AUDITORS**

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Group and of the Company for the financial year ended 31 December 2020 amounted to RM118,000 and RM68,000 respectively.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act, 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2020.

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.....	)	
DATUK WAN KHALIK BIN	)	
WAN MUHAMMAD	)	
	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
.....	)	
DIRK JOHANN QUINTEN	)	

Kuala Lumpur  
6 May 2021

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 60 to 142 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.....  
DATUK WAN KHALIK BIN  
WAN MUHAMMAD

.....  
DIRK JOHANN QUINTEN

Kuala Lumpur  
6 May 2021

## STATUTORY DECLARATION

I, Cheok Tuan Oon, being the Officer primarily responsible for the financial management of G3 Global Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 60 to 142 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

.....  
CHEOK TUAN OON  
(MIA: 20682)

Before me,

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G3 GLOBAL BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of G3 Global Berhad (“the Company”), which comprise the statements of financial position as at 31 December 2020, 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 60 to 142.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position as at 31 December 2020 and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) 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 (“ISAs”). 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.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## Report on the Audit of the Financial Statements (cont'd)

### Key Audit Matters

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

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b><i>Impairment of trade receivables (Refer to Notes 2.5 and 8 to the Financial Statements)</i></b></p> <p>The Group and the Company have significant trade receivables as at the reporting date and is subject to credit risk exposures.</p> <p>We focus on this area as deriving the expected credit losses (“ECL”) of receivables involves management’s judgement and estimates in determining the probability of default occurring by considering the ageing of receivables, historical loss experience and forward-looking information.</p>	<p>Our audit procedures included amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of:- <ul style="list-style-type: none"> <li>- the Group’s and the Company’s control over the trade receivables’ collection process;</li> <li>- how the Group and the Company identify and assess the ECL of trade receivables; and</li> <li>- how the Group and the Company make the accounting estimates for ECL.</li> </ul> </li> <li>• Reviewing the ageing of trade receivables, the accuracy of which was tested.</li> <li>• Reviewing collections received after the end of the reporting period.</li> <li>• Evaluating the reasonableness and adequacy of the ECL recognised.</li> <li>• Assessing the consistency in methodology applied by the management in determining the ECL on trade receivables to those of prior years.</li> <li>• Evaluating techniques and methodology applied for the ECL approach.</li> </ul>



# INDEPENDENT AUDITORS' REPORT (CONT'D)

## Report on the Audit of the Financial Statements (cont'd)

### Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b><i>Impairment of intangible assets (Refer to Notes 2.5 and 6 to the Financial Statements)</i></b></p> <p>The Group has significant intangible assets as at the reporting date which consist mainly of development costs and goodwill.</p> <p>The intangible assets are subject to impairment assessment. The assessment has been performed by comparing the carrying amounts to their corresponding recoverable amounts.</p> <p>The recoverable amounts were determined using the value-in-use method, based on future financial information.</p> <p>We focused on these areas as significant judgment and estimates are applied in determining the recoverable amounts.</p>	<p>Our audit procedures included amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtained management's impairment analysis and gained an understanding of their impairment assessment process.</li> <li>• Reviewing the reasonableness of the key assumptions used and judgement made in determining the recoverable amount.</li> <li>• Checked the sensitivity analysis on revenue growth, profit margin and discount rate.</li> </ul>

There are no key audit matters in relation to the financial statements of the Company.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### **Report on the Audit of the Financial Statements (cont'd)**

#### **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 do 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 on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## Report on the Audit of the Financial Statements (cont'd)

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, 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 and 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.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### Report on the Audit of the Financial Statements (cont'd)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):-

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Company as at 31 December 2019 were audited by another firm of Chartered Accountant whose audited report dated 17 March 2020 expressed an unqualified opinion on these financial statements.

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

Kuala Lumpur  
6 May 2021

KISHAN NARENDRA JASANI  
(NO: 03223/12/2021 J)  
CHARTERED ACCOUNTANT

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	1,448,044	2,029,628	226,575	-
Investment in subsidiaries	5	-	-	979,908	3,190,738
Intangible assets	6	129,776	3,512,084	-	-
Total non-current assets		1,577,820	5,541,712	1,206,483	3,190,738
<b>Current assets</b>					
Inventories	7	2,961,862	1,064,075	579,843	-
Trade receivables	8	8,283,933	10,813,177	935,935	-
Other receivables	9	10,351,539	18,437,487	3,165,593	7,925,916
Amount due from subsidiaries	10	-	-	5,980,939	27,653,888
Tax recoverable		628	-	-	-
Cash and cash equivalents	11	5,760,609	10,353,222	4,178,858	3,679,341
Total current assets		27,358,571	40,667,961	14,841,168	39,259,145
<b>TOTAL ASSETS</b>		<b>28,936,391</b>	<b>46,209,673</b>	<b>16,047,651</b>	<b>42,449,883</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Equity attributable to owners of the Company:-</b>					
Share capital	12	74,316,236	74,302,576	74,316,236	74,302,576
Warrant reserve	13	16,286,765	16,301,539	16,286,765	16,301,539
Other reserve	13	(16,286,765)	(16,301,539)	(16,286,765)	(16,301,539)
Accumulated losses		(47,884,738)	(34,496,516)	(60,137,231)	(34,569,071)
		26,431,498	39,806,060	14,179,005	39,733,505
Non-controlling interests ("NCI")		30,244	35,568	-	-
<b>Total equity</b>		<b>26,461,742</b>	<b>39,841,628</b>	<b>14,179,005</b>	<b>39,733,505</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Contract liabilities	14	-	55,864	-	-
Lease liabilities	15	-	536,425	-	-
Total non-current liabilities		-	592,289	-	-



# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2020 (CONT'D)

		<b>Group</b>		<b>Company</b>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
<b>EQUITY AND LIABILITIES (CONT'D)</b>					
<b>LIABILITIES (CONT'D)</b>					
<b>Current liabilities</b>					
Trade payables	16	1,386,815	4,082,038	1,345,506	-
Other payables	17	648,575	1,379,070	344,184	852,986
Contract liabilities	14	75,833	28,070	-	-
Amount due to subsidiaries	10	-	-	-	1,863,392
Lease liabilities	15	344,155	267,307	178,956	-
Tax payable		19,271	19,271	-	-
		<u>2,474,649</u>	<u>5,775,756</u>	<u>1,868,646</u>	<u>2,716,378</u>
Total current liabilities		<u>2,474,649</u>	<u>5,775,756</u>	<u>1,868,646</u>	<u>2,716,378</u>
<b>Total liabilities</b>		<u>2,474,649</u>	<u>6,368,045</u>	<u>1,868,646</u>	<u>2,716,378</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>28,936,391</u>	<u>46,209,673</u>	<u>16,047,651</u>	<u>42,449,883</u>

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
<b>Continuing operations</b>					
Revenue	18	15,028,774	14,213,571	3,214,054	-
Cost of sales		<u>(14,384,567)</u>	<u>(14,032,927)</u>	<u>(2,827,260)</u>	<u>-</u>
Gross profit		644,207	180,644	386,794	-
Other income		410,979	7,722	2,228,669	-
Administrative expenses		(10,133,922)	(11,658,580)	(2,898,678)	(1,474,675)
Net (loss)/gain on impairment of financial assets		(1,936,703)	6,708	(23,073,552)	(24,922,318)
Other expenses		<u>(2,476,017)</u>	<u>(4,264,152)</u>	<u>(2,239,489)</u>	<u>(17,638,514)</u>
Operating loss		(13,491,456)	(15,727,658)	(25,596,256)	(44,035,507)
Finance income		117,771	711,325	36,542	23,360
Finance costs		<u>(18,990)</u>	<u>(12,018)</u>	<u>(8,446)</u>	<u>-</u>
Loss before tax	19	(13,392,675)	(15,028,351)	(25,568,160)	(44,012,147)
Tax expense	20	<u>(2,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss from continuing operations		(13,394,840)	(15,028,351)	(25,568,160)	(44,012,147)
<b>Discontinued operations</b>					
Loss from discontinued operations, net of tax	21	<u>-</u>	<u>(1,368,109)</u>	<u>-</u>	<u>-</u>
<b>Loss for the financial year/ Total comprehensive loss for the financial year</b>		<u>(13,394,840)</u>	<u>(16,396,460)</u>	<u>(25,568,160)</u>	<u>(44,012,147)</u>
<b>Total comprehensive loss attributable to:-</b>					
Owners of the Company		(13,388,222)	(16,392,766)	(25,568,160)	(44,012,147)
Non-controlling interests		<u>(6,618)</u>	<u>(3,694)</u>	<u>-</u>	<u>-</u>
		<u>(13,394,840)</u>	<u>(16,396,460)</u>	<u>(25,568,160)</u>	<u>(44,012,147)</u>
<b>Loss per share attributable to owners of the Company:-</b>					
Basic loss per share (sen)	22				
- From continuing operations		(2.86)	(3.57)		
- From discontinued operations		<u>-</u>	<u>(0.33)</u>		
		<u>(2.86)</u>	<u>(3.90)</u>		

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

		<b>Group</b>		<b>Company</b>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
<b>Loss per share attributable to owners of the Company (cont'd):-</b>					
Diluted loss per share (sen)	22				
- From continuing operations		(2.19)	(2.66)		
- From discontinued operations		<u>-</u>	<u>(0.24)</u>		
		<u>(2.19)</u>	<u>(2.90)</u>		

## STATEMENTS OF CHANGES IN EQUITY

		<b>Attributable to Owners of the Company</b>						
		Non-distributable						
Note	Group	Share capital RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
	Balance at 1 January 2019	68,750,000	22,306,914	(22,306,914)	(18,104,344)	50,645,656	39,536	50,685,192
	Total comprehensive loss for the financial year	-	-	-	(16,392,766)	(16,392,766)	(3,694)	(16,396,460)
13	Transactions with owners:-							
	Issuance of shares pursuant to warrant exercise	5,552,576	(6,005,375)	6,005,375	-	5,552,576	-	5,552,576
	Acquisition of equity interest from non-controlling interests	-	-	-	-	-	300	300
	Disposal of ownership interest in a subsidiary	-	-	-	594	594	(574)	20
	Total transactions with owners	5,552,576	(6,005,375)	6,005,375	594	5,553,170	(274)	5,552,896
	Balance at 31 December 2019	74,302,576	16,301,539	(16,301,539)	(34,496,516)	39,806,060	35,568	39,841,628
	Total comprehensive loss for the financial year	-	-	-	(13,388,222)	(13,388,222)	(6,618)	(13,394,840)
13	Transactions with owners:-							
	Issuance of shares pursuant to warrant exercise	13,660	(14,774)	14,774	-	13,660	-	13,660
	Acquisition of equity interest from non-controlling interests	-	-	-	-	-	1,294	1,294
	Total transactions with owners	13,660	(14,774)	14,774	-	13,660	1,294	14,954
	Balance at 31 December 2020	74,316,236	16,286,765	(16,286,765)	(47,884,738)	26,431,498	30,244	26,461,742

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

			----- Non-distributable -----		-Distributable-	
	<u>Note</u>	<u>Share capital</u> RM	<u>Warrant reserve</u> RM	<u>Other reserve</u> RM	<u>Accumulated losses</u> RM	<u>Total equity</u> RM
<b>Company</b>						
Balance at 1 January 2019		68,750,000	22,306,914	(22,306,914)	9,443,076	78,193,076
Total comprehensive loss for the financial year		-	-	-	(44,012,147)	(44,012,147)
<u>Transaction with owners:-</u>						
Issuance of shares pursuant to warrant exercise	13	<u>5,552,576</u>	<u>(6,005,375)</u>	<u>6,005,375</u>	<u>-</u>	<u>5,552,576</u>
Balance at 31 December 2019		74,302,576	16,301,539	(16,301,539)	(34,569,071)	39,733,505
Total comprehensive loss for the financial year		-	-	-	(25,568,160)	(25,568,160)
<u>Transaction with owners:-</u>						
Issuance of shares pursuant to warrant exercise	13	<u>13,660</u>	<u>(14,774)</u>	<u>14,774</u>	<u>-</u>	<u>13,660</u>
Balance at 31 December 2020		<u>74,316,236</u>	<u>16,286,765</u>	<u>(16,286,765)</u>	<u>(60,137,231)</u>	<u>14,179,005</u>

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Group		Company	
Note	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<b>OPERATING ACTIVITIES</b>				
Loss before tax				
- Continuing operations	(13,392,675)	(15,028,351)	(25,568,160)	(44,012,147)
- Discontinued operations	-	(1,368,109)	-	-
Adjustments for:-				
Allowance for ECL				
- Trade receivables	893,561	871,876	777,958	-
- Other receivables	1,043,142	-	1,043,142	-
- Amount due from subsidiaries	-	-	21,252,452	25,166,913
Amortisation of intangible assets	1,120,018	1,397,829	-	-
Deposits written off	200	-	-	-
Depreciation of property, plant and equipment	656,074	1,762,783	155,892	-
Depreciation of investment property	-	3,600	-	-
Gain on lease modification	(9,757)	-	-	-
Goodwill written off	1,295	-	-	-
Fair value loss on short-term investments	-	294,355	-	-
Loss/(Gain) on disposal of subsidiaries	5,086	2,322,418	(4,317)	17,638,514
Loss/(Gain) on disposal of property, plant and equipment	891	(10,000)	-	-
Impairment loss on investment in subsidiaries	-	-	2,214,731	-
Impairment loss on intangible assets	2,262,290	1,152,770	-	-
Impairment loss on property, plant and equipment	-	343,432	-	-
Interest expenses	18,990	125,602	8,446	-
Interest income	(117,771)	(879,694)	(36,542)	(23,360)
Inventories written off	-	665,215	-	-
Provision for slow-moving inventories	-	101,388	-	-
Property, plant and equipment written off	10,209	64,023	-	-
Reversal of allowance for ECL				
- Trade receivables	-	(428,465)	-	-
- Other receivables	-	(244,595)	-	(244,595)
Unrealised loss/(gain) on foreign exchange	183,312	(7,677)	(12,240)	-
Waiver of debt on amount due from a disposed subsidiary	-	-	24,742	-
Waiver of debt on amount due to subsidiaries	-	-	(1,862,667)	-
Operating loss before working capital changes	(7,325,135)	(8,861,600)	(2,006,563)	(1,474,675)
Changes in working capital:-				
Inventories	(1,948,740)	149,248	(579,843)	-
Contract liabilities	(8,101)	60,454	-	-
Receivables	8,469,634	(28,356,767)	2,003,288	(19,890,592)
Payables	(3,342,146)	26,384,819	848,944	(1,182,497)
Net cash (used in)/generated from operations	(4,154,488)	(10,623,846)	265,826	(22,547,764)
Tax paid	(2,793)	-	-	-
Net cash (used in)/from operating activities	(4,157,281)	(10,623,846)	265,826	(22,547,764)



# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

	<u>Note</u>	<b>Group</b>		<b>Company</b>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
<b>INVESTING ACTIVITIES</b>					
Acquisition of shares in subsidiaries		(1)	-	(6,401)	(10,799)
Interest received		117,771	879,694	36,542	23,360
Proceeds from disposal of property, plant and equipment		3,375	10,000	-	-
Net changes on short-term investments		-	(294,355)	-	-
Net cash (outflows)/inflows from disposal of subsidiaries		(62,418)	(13,667,724)	2,500	4,384,000
Proceeds from disposal of shares of subsidiaries to NCI		-	20	-	20
Purchase of intangible assets		-	(703,873)	-	-
Purchase of property, plant and equipment	<b>A</b>	<u>(152,304)</u>	<u>(1,530,512)</u>	<u>(54,430)</u>	<u>-</u>
Net cash (used in)/from investing activities		<u>(93,577)</u>	<u>(15,306,750)</u>	<u>(21,789)</u>	<u>4,396,581</u>
<b>FINANCING ACTIVITIES</b>					
(Repayment to)/Advances from subsidiaries		-	-	399,347	8,291,740
Advances from Directors		-	347,645	-	-
Interest paid		(18,990)	(125,602)	(8,446)	-
Proceeds from issuance of shares		13,660	5,552,576	13,660	5,552,576
Proceeds from issuance of shares of subsidiaries to NCI		-	300	-	-
Repayments of lease liabilities	<b>B</b>	<u>(335,528)</u>	<u>(894,227)</u>	<u>(149,081)</u>	<u>-</u>
Net cash (used in)/from financing activities		<u>(340,858)</u>	<u>4,880,692</u>	<u>255,480</u>	<u>13,844,316</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(4,591,716)	(21,049,904)	499,517	(4,306,867)
Effect of foreign currency translation differences		(897)	41,817	-	-
Brought forward		<u>10,353,222</u>	<u>31,361,309</u>	<u>3,679,341</u>	<u>7,986,208</u>
Carried forward		<u>5,760,609</u>	<u>10,353,222</u>	<u>4,178,858</u>	<u>3,679,341</u>

### NOTES TO THE STATEMENTS OF CASH FLOWS

#### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Total additions	531,294	3,610,664	382,467	-
Acquired under lease liabilities	(328,037)	(1,747,633)	(328,037)	-
Reclassified to inventories	<u>(50,953)</u>	<u>(332,519)</u>	<u>-</u>	<u>-</u>
Total cash purchase	<u>152,304</u>	<u>1,530,512</u>	<u>54,430</u>	<u>-</u>

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

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

### B. CASH OUTFLOWS FOR LEASES AS A LESSEE

		Group		Company	
	Note	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
<u>Included in net cash used in operating activities:-</u>					
Payment relating to short-term leases	15	6,552	817,042	-	-
Payment relating to leases of low value assets	15	5,400	2,340	1,080	-
Payment relating to variable lease payments	15	7,523	14,326	-	-
<u>Included in net cash used in financing activities:-</u>					
Payment of lease liabilities		335,528	894,227	149,081	-
Payment on interest expense of lease liabilities		18,990	125,602	8,446	-
		<u>373,993</u>	<u>1,853,537</u>	<u>158,607</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020

### 1. GENERAL INFORMATION

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

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at L2-17 & L2-18, Level 2, Gamuda Walk, Persiaran Anggerik Vanilla, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and information and communication technology.

The principal activities of the subsidiaries are disclosed in Note 5 to the Financial Statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 May 2021.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

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

#### 2.2 Basis of Measurement

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

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Basis of Measurement (cont'd)

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

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

A fair value measurement of a non-financial asset 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.

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

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

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

### 2.3 Functional and Presentation Currency

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.4 MFRSs

##### 2.4.1 Adoption of New Standards/Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all period presented in these financial statements.

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

Initial application of new standards/amendments/improvements to the standards did not have significant impact to the financial statements.

##### 2.4.2 Standards Issued But Not Yet Effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been early adopted by the Group and the Company.

The management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

The initial application of the new standards, amendments and interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

#### 2.5 Significant Accounting Estimates and Judgements

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Significant Accounting Estimates and Judgements (cont'd)

#### 2.5.1 Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### Useful lives of depreciable and amortisable assets

The management estimates the useful lives of the property, plant and equipment and intangible assets to be 2 to 50 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to changes in the expected level of usage and developments, resulting in adjustment to the Group's and the Company's assets.

The management expects that the expected useful lives of the property, plant and equipment and intangible assets would not have material difference from the management's estimation hence it would not result in material variance in the Group's and the Company's losses for the financial year.

The carrying amount of the Group's and the Company's property, plant and equipment and intangible assets at the reporting date is disclosed in Notes 4 and 6 to the Financial Statements.

##### Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

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

The management expects that the expected net realisable values of the inventories would not have material difference from the management's estimation of a net realisable value, hence, it would not result in material variance in the Group's and the Company's losses for the financial year.

The carrying amount of the Group's and the Company's inventories at the reporting date is disclosed in Note 7 to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.5 Significant Accounting Estimates and Judgements (cont'd)

##### 2.5.1 Estimation Uncertainty (cont'd)

###### Provision for expected credit losses ("ECL") of receivables

Credit losses are the differences between all contractual cash flows that the Group and the Company are due and the cash flows that it actually expects to receive. An ECL is the probability-weighted estimate of credit losses which requires the Group's and the Company's judgement. The ECL are discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group and the Company use a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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

The assessment of the correlation between historical observed rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default rate in the future.

The carrying amount of the Group's and of the Company's receivables at the reporting date is disclosed in Notes 8, 9 and 10 to the Financial Statements.

###### Income taxes

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



# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Significant Accounting Estimates and Judgements (cont'd)

#### 2.5.1 Estimation Uncertainty (cont'd)

##### Impairment of non-financial assets

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

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

##### Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and the Company estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

#### 2.5.2 Significant Management Judgement

The following is significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.5 Significant Accounting Estimates and Judgements (cont'd)

##### 2.5.2 Significant Management Judgement (cont'd)

###### Capitalisation and amortisation of intangible assets

Intangible assets are capitalised in accordance with the accounting policy in Note 3.4 to the Financial Statements. Initial capitalisation of costs is based on management's judgement that it is probable that future economic future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of useful life. At the reporting date, the carrying amount of intangible assets of the Group are disclosed in Note 6 to the Financial Statements.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of respective components. The Group reviews the amortisation periods and useful lives at least once a year for intangible assets with finite lives. However, if there are indications that the intangible assets are unable to generate future cash flows, immediate impairment loss would be recognised in profit or loss. Further details are disclosed in Note 6 to the Financial Statements.

###### Leases

Management uses judgement in determining the rate to discount the lease payments and assess whether a right-of-use asset is impaired. Furthermore, the Group and the Company estimate the lease term and reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances.

In most cases, determining the appropriate discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In assessing the lease term and the likelihood of any extensions or early terminations, the management monitors the cash inflows from each right-of-use asset and evaluates whether such extensions or early terminations would lead to economic benefits for the Group and the Company.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Consolidation

#### 3.1.1 Subsidiaries

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

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

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

#### 3.1.2 Basis of Consolidation

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.19 of the financial statements.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.1 Consolidation (cont'd)

##### 3.1.3 Business Combinations and Goodwill

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Consolidation (cont'd)

#### 3.1.4 Loss of Control

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

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

#### 3.1.5 Acquisitions of Non-Controlling Interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

#### 3.1.6 Non-Controlling Interests

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

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### 3.2 Property, Plant and Equipment

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.2 Property, Plant and Equipment (cont'd)

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful lives. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Land	6 years
Office premises	2 years
Outlet and factory	2 to 6 years
Machinery and factory equipment	5 to 10 years
Renovation	5 to 50 years
Furniture, fittings and office equipment	5 to 10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually 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 items of property, plant and equipment.

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

#### 3.3 Leases

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:-

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Leases (cont'd)

To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether (cont'd):-

- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset. The Group and the Company have this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group and the Company have the right to direct the use of the asset if either:-
  - the Group and the Company have the right to operate the asset; or
  - the Group and the Company designed the asset in a way that predetermines how and for what purpose it will be used.

#### As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use 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 the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate. Generally, the Group and the Company use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.3 Leases (cont'd)

##### As a lessee(cont'd)

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 an index or rate, if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Group and the Company change their assessment of whether it will exercise a purchase, extension or termination option.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the statements of profit or loss and other comprehensive income.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Company have used this practical expedient.

The Group and the Company have benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

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

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

##### As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of profit or loss due to their operating nature. 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 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.4 Intangible Assets

#### Trademarks

Trademarks are measured initially at cost. Subsequent to initial recognition, trademarks with definite life are stated at cost less accumulated amortisation and impairment losses while trademarks with indefinite life are stated at cost less impairment losses. Trade marks with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of a trade mark with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

#### Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of business combination over the Group's and the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. 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 frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### Research and Development Costs

All research costs are immediately recognised in profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised as development costs and deferred only when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs comprise direct attributable costs incurred for development. Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses. Development costs are amortised using the straight-line basis over the commercial lives of the underlying products from the date the products are commercialised. Development costs is amortised over the estimated average life of 5 years.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.4 Intangible Assets (cont'd)

##### Research and Development Costs (cont'd)

The amortisation period and method are reviewed at the end of each reporting period to ensure that the expected useful lives of the assets are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of intangible assets.

#### 3.5 Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

#### 3.6 Financial Instruments

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

##### 3.6.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Financial Instruments (cont'd)

#### 3.6.2 Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:-

- amortised cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

In the periods presented, the Group and the Company do not have any financial assets categorised as FVOCI.

The classification is determined by both:-

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### 3.6.3 Subsequent Measurement of Financial Assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):-

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 Financial Instruments (cont'd)

##### 3.6.3 Subsequent Measurement of Financial Assets (cont'd)

###### Financial assets at amortised cost (cont'd)

The amortised cost of a financial assets is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most of the other receivables and cash and cash equivalents and the Company's trade and most of the other receivables, amount due from subsidiaries and cash and cash equivalents fall into this category of financial assets.

###### Financial assets at FVTPL

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

##### 3.6.4 Impairment of Financial Assets

The Group and the Company recognise an allowance for ECL on financial assets measured at amortised cost. ECL are a probability-weighted estimate of credit losses.

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Financial Instruments (cont'd)

#### 3.6.4 Impairment of Financial Assets (cont'd)

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

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

The Group and the Company estimate the ECL on trade receivables using a provision matrix with reference to historical credit loss experience.

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

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

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

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

#### 3.6.5 Classification and Measurement of Financial Liabilities

The Group's financial liabilities include trade and other payables and the Company's financial liabilities include trade and other payables and amount due to subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 Financial Instruments (cont'd)

##### 3.6.5 Classification and Measurement of Financial Liabilities (cont'd)

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and the Company have designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

##### 3.6.6 Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset has expired or control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial asset are transferred to another party. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of transferred assets, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

The Group and the Company derecognise a financial liability when its contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### 3.6.7 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 currently a legally enforceable 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.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Inventories

Inventories comprise of trading goods which are stated at the lower of cost and net realisable value after adequate write down has been made for deteriorated, obsolete and slow-moving inventories.

The cost of inventories is based on a weighted average basis and includes value of goods purchased and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

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

### 3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and demand deposits. Cash equivalents are short term 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, against which bank overdraft balances, if any, are deducted.

### 3.9 Equity

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

Accumulated losses include all current and prior financial years' accumulated losses.

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

### 3.10 Warrants

Warrants are classified as equity instruments and its fair value is allocated based on the Black-Scholes Option Pricing model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.11 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, 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 a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company 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.

Provisions are reviewed at each reporting date 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. Where the effect of the time of money is material, provision is 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.

#### 3.12 Contingencies

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

#### 3.13 Revenue Recognition

The Group and the Company recognise revenue from contracts with customers for goods or services based on the five-step model as set out in this standard:-

- i. Identify contracts with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- ii. Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer, either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- iii. Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.13 Revenue Recognition (cont'd)

The Group and the Company recognise revenue from contracts with customers for goods or services based on the five-step model as set out in this standard (cont'd):-

- iv. Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- v. Recognise revenue when (or as) the Group and the Company satisfy a performance obligation. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:-

- i. Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- ii. Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- iii. Provide benefits that the customer simultaneously receives and consume as the Group and the Company perform the obligation.

For performance obligations where any one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or service, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable.

#### 3.13.1 Revenue from Sale of Goods and Services

Goods are sold when the customer obtains control of the goods. All contracts are completed at the delivery date. The revenue is recognised net of any related rebates, discounts and taxes. The Group and the Company disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors as disclosed in Note 18 to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.13 Revenue Recognition (cont'd)

##### 3.13.2 Revenue from Other Sources

###### Interest Income

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

#### 3.14 Contract Balances

##### 3.14.1 Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### 3.15 Employee Benefits

##### 3.15.1 Short-Term Employee Benefits

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

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

##### 3.15.2 Defined Contribution Plans

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

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.16 Tax Expense

Tax expense comprises current tax 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.

#### 3.16.1 Current Tax

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

#### 3.16.2 Deferred Tax

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.16 Tax Expense (cont'd)

##### 3.16.3 Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:-

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

#### 3.17 Foreign Currency Transactions and Balances

Transactions in foreign currencies are translated to the respective functional currencies of Group and Company entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

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

#### 3.18 Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.19 Operating Segments

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

### 3.20 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:-
  - (i) has control or joint control over the Group; or
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group including its ultimate holding company.
- (b) An entity is related to the Group if any of the following conditions applies:-
  - (i) The entity and the Group are members of the same group.
  - (ii) The entity is an associate or joint venture of the other entity.
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) The Group is a joint venture of a third entity and the other entity is an associate of the same third entity.
  - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the entity.
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM	Office premises RM	Outlet and factory RM	Machinery and factory equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
<b>Cost</b>								
At 1.1.2019	-	333,871	1,470,893	1,030,588	1,493,806	4,705,895	550,648	9,585,701
Additions	448,349	402,511	638,773	185,566	522,644	1,042,083	370,738	3,610,664
Disposals	-	-	-	-	-	(51,470)	-	(51,470)
Disposals of subsidiaries	-	-	(2,109,666)	(1,500)	(1,443,955)	(3,493,831)	(921,386)	(7,970,338)
Written off	-	(333,871)	-	(20,726)	(247,747)	(1,273,610)	-	(1,875,954)
At 31.12.2019	448,349	402,511	-	1,193,928	324,748	929,067	-	3,298,603
Additions	-	328,037	-	92,108	16,045	95,104	-	531,294
Disposals	-	-	-	-	-	(4,740)	-	(4,740)
Expiration of lease contract	-	(49,378)	-	-	-	-	-	(49,378)
Termination of lease contract	(448,349)	-	-	-	-	-	-	(448,349)
Written off	-	-	-	-	-	(15,039)	-	(15,039)
At 31.12.2020	-	681,170	-	1,286,036	340,793	1,004,392	-	3,312,391
<b>Accumulated depreciation</b>								
At 1.1.2019	-	180,847	-	380,126	1,075,588	4,223,641	52,546	5,912,748
Charge for the financial year	30,709	172,726	619,834	228,873	166,796	347,350	196,495	1,762,783
Disposals	-	-	-	-	-	(51,470)	-	(51,470)
Disposals of subsidiaries	-	-	(619,834)	(1,500)	(944,603)	(3,071,609)	(249,041)	(4,886,587)
Written off	-	(333,871)	-	(4,827)	(241,104)	(1,232,129)	-	(1,811,931)
At 31.12.2019	30,709	19,702	-	602,672	56,677	215,783	-	925,543
Charge for the financial year	-	341,995	-	95,097	33,260	185,722	-	656,074
Disposals	-	-	-	-	-	(474)	-	(474)
Expiration of lease contract	-	(24,689)	-	-	-	-	-	(24,689)
Termination of lease contract	(30,709)	-	-	-	-	-	-	(30,709)
Written off	-	-	-	-	-	(4,830)	-	(4,830)
At 31.12.2020	-	337,008	-	697,769	89,937	396,201	-	1,520,915

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

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

Group (cont'd)	Land RM	Office premises RM	Outlet and factory RM	Machinery and factory equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
<b>Accumulated impairment losses</b>								
At 1.1.2019	-	-	-	-	-	-	-	-
Charge for the financial year	-	-	-	343,432	-	-	-	343,432
At 31.12.2019/31.12.2020	-	-	-	343,432	-	-	-	343,432
<b>Net carrying amount</b>								
At 31.12.2020	-	344,162	-	244,835	250,856	608,191	-	1,448,044
At 31.12.2019	417,640	382,809	-	247,824	268,071	713,284	-	2,029,628



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

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

Company	Office premise RM	Machinery RM	Renovation RM	Furniture, fittings and office equipment RM	Total RM
<b>Cost</b>					
At 1.1.2019/At 31.12.2019	-	-	-	-	-
Additions	328,037	599	16,045	37,786	382,467
At 31.12.2020	328,037	599	16,045	37,786	382,467
<b>Accumulated depreciation</b>					
At 1.1.2019/At 31.12.2019	-	-	-	-	-
Charge for the financial year	153,084	70	786	1,952	155,892
At 31.12.2020	153,084	70	786	1,952	155,892
<b>Net carrying amount</b>					
At 31.12.2020	174,953	529	15,259	35,834	226,575
At 31.12.2019	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

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

- (i) Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Land	-	417,640	-	-
Office premises	344,162	382,809	174,953	-
	<u>344,162</u>	<u>800,449</u>	<u>174,953</u>	<u>-</u>

- (ii) Additions to the right-of-use assets of the Group and of the Company during the financial year amounted to RM328,037 and RM328,037 (2019: RM1,747,633 and RMNil) respectively.

- (iii) Depreciation charge of right-of-use assets are as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Land	-	30,709	-	-
Office premises	341,995	172,726	153,084	-
Outlet and factory	-	619,834	-	-
Motor vehicles	-	137,118	-	-
	<u>341,995</u>	<u>960,387</u>	<u>153,084</u>	<u>-</u>

## 5. INVESTMENT IN SUBSIDIARIES

	<b>Company</b>	
	<u>2020</u>	<u>2019</u>
	RM	RM
Unquoted shares, at cost	5,958,168	5,954,267
Less: Accumulated impairment losses		
Brought forward	2,763,529	39,445,682
Addition	2,214,731	-
Reversal due to disposal of subsidiaries	-	(36,682,153)
Carried forward	<u>4,978,260</u>	<u>2,763,529</u>
Net carrying amount	<u>979,908</u>	<u>3,190,738</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which were incorporated in Malaysia, are as follows:-

Name of company	Effective equity interest		Principal activities
	<u>2020</u>	<u>2019</u>	
<b>Direct subsidiaries</b>			
G.A. Blue Apparel Sdn. Bhd.	100%	100%	Marketing of jeanswear and its related products. However, the subsidiary is dormant during the financial year.
Delison Sdn. Bhd.	100%	100%	Retail sale of articles of clothing, fur and clothing accessories. However, the subsidiary is dormant during the financial year.
Lensan Sdn. Bhd.	100%	100%	Retail sale of articles of clothing, fur and clothing accessories. However, the subsidiary is dormant during the financial year.
Sebico Jaya Trading Co. Sdn. Bhd.	100%	100%	Retailing of ready-made clothing, handbags and personal effects. However, the subsidiary is dormant during the financial year.
Atilze Digital Sdn. Bhd. (“ADSB”)	100%	100%	Supplier of telecommunication solutions, services and products.
Atilze Solutions Sdn. Bhd. (“ASSB”)	100%	100%	Sales of information, communications and technology (“ICT”) equipment, devices, wholesale voice and IT products and services. However, the subsidiary is dormant during the financial year.
Atilze AI Sdn. Bhd. (“AAISB”)	100%	100%	Provision of information technology service activities.
AG3 Sdn. Bhd (“AG3SB”)	60%	60%	Provide security guards digital platform services. However, the subsidiary is dormant during the financial year.
G3 Technologies Sdn. Bhd. (formerly known as Myedge AI Sdn. Bhd.), (“GTSB”)	100%	70%	Provision of AI solutions. However, the subsidiary is dormant during the financial year.
Maasdots Sdn. Bhd. (“MSB”)	-	100%	IT solutions provider in the artificial automotive industry. However, the subsidiary is dormant during the financial year.
<b>Indirect subsidiaries</b>			
<u>Subsidiary of ADSB</u>			
Connected Mobility Technologies Sdn. Bhd. (“CMTSB”)	55%	55%	Sales of information, communications and technology (“ICT”) equipment, devices, wholesale voice and IT products and services. However, the subsidiary is dormant during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

### 2020

- (i) On 15 May 2020, the Company acquired additional 2,400 newly issued shares of MSB at RM1 each, for total cash consideration of RM2,400, which did not result in changes in effective equity interest.
- (ii) On 24 July 2020, the Company disposed of its entire shareholding in MSB for a total cash consideration of RM2,500 and a waiver of debt owing by subsidiary to the Group and the Company amounted to RM62,312 and RM24,742 respectively.
- (iii) On 23 October 2020, the Company acquired additional 300 shares of GTSB for total cash consideration of RM1 from NCI, which result in changes in effective equity interest from 70% to 100%. Goodwill of RM1,295 arose as a result of this acquisition and is written off during the financial year.
- (iv) On 27 November 2020, the Company acquired additional 4,000 newly issued shares of GTSB at RM1 each, for total cash consideration of RM4,000, which did not result in changes in effective equity interest.

### Increase in stake of a subsidiary

During the financial year, G3 Global Berhad acquired additional 30% equity interest in G3 Technologies Sdn. Bhd. (formerly known as Myedge AI Sdn. Bhd.) for a total cash consideration of RM1. The net liabilities of G3 Technologies Sdn. Bhd. (formerly known as Myedge AI Sdn. Bhd.) as at acquisition date is RM4,313 and the carrying amount of RM1,294 is acquired from NCI.

### Disposal of a subsidiary

The following summarises the major classes of consideration and the recognised amounts of assets disposed and transferred at the disposal date:-

	<u>MSB</u> RM
<b>Group</b>	
<b>Fair value of identifiable net liabilities</b>	
Other receivables	14,000
Cash and bank balances	6,923
Other payables	(9,020)
Amount due to related companies	<u>(62,312)</u>
<b>Total identifiable net liabilities</b>	<u>(50,409)</u>
Cash consideration	2,500
Cash received directly from MSB	4,317
Waiver of debts	<u>(62,312)</u>
Fair value of consideration	(55,495)
Fair value of identifiable net liabilities	<u>(50,409)</u>
<b>Loss on disposal of a subsidiary</b>	<u>5,086</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 2020 (cont'd)

#### Disposal of a subsidiary (cont'd)

The following summarises the major classes of consideration and the recognised amounts of assets disposed and transferred at the disposal date (cont'd):-

	<u>MSB</u> RM
<b>Group (cont'd)</b>	
Cash consideration	2,500
Cash received directly from MSB	4,317
Less: Waiver of debts	(62,312)
Less: Cash and cash equivalents disposed	<u>(6,923)</u>
<b>Net cash outflow from disposal of a subsidiary</b>	<u>(62,418)</u>
<b>Company</b>	
Cash consideration	2,500
Cash received directly from MSB	4,317
Less: Investments cost in a subsidiary	<u>(2,500)</u>
<b>Gain on disposal of a subsidiary</b>	<u>4,317</u>

#### 2019

- (i) On 28 January 2019, the Company disposed 20% of the equity interest in AG3SB, comprising 20 shares for a total cash consideration of RM20.
- (ii) On 8 February 2019, the Company acquired additional 1,000,000 newly issued shares of ADSB at RM1 each, by way of capitalisation of amount due from ADSB of RM1,000,000, which did not result in changes in effective equity interest.
- (iii) On 7 May 2019, the Company together with a minority shareholder incorporated a subsidiary, MAISB, with an issued and paid-up capital of RM1,000 comprising 1,000 ordinary shares of which the Company owns 70% equivalent to 700 ordinary shares valued at RM700.
- (iv) On 8 May 2019, the Company acquired additional 9,999 newly issued shares of AAISB at RM1 each, for total cash consideration of RM9,999, which did not result in changes in effective equity interest.
- (v) On 24 June 2019, the Company incorporated a wholly-owned subsidiary, MSB, with a paid-up capital of RM100.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

### 2019 (cont'd)

#### Disposal of a subsidiary (cont'd)

- (vi) On 13 December 2019, the Company disposed of its entire shareholding in Edwin Jeans (M) Sdn. Bhd. ("EJMSB") for a total cash consideration of RM3,411,000 and a waiver of debt owing by the subsidiary to the Company amounted to RM19,262,964.
- (vii) On 13 December 2019, the Company disposed of its entire shareholding in G.A. Blue Corporation Sdn. Bhd. ("GABCSB") for a total cash consideration of RM587,000 and a waiver of debt owing by the Company to the subsidiary amounted to RM6,693,224.
- (viii) On 13 December 2019, the Company disposed of its entire shareholding in Yen Retailing (M) Sdn. Bhd. ("YRSB") for a total cash consideration of RM386,000 and a waiver of debt owing by the subsidiary to the Company amounted to RM1,114,475.

#### Disposal of subsidiaries

The following summarises the major classes of consideration and the recognised amounts of assets disposed and transferred at the disposal date:-

	<u>EJMSB</u> RM	<u>GABCSB</u> RM	<u>YRSB</u> RM	<u>Total</u> RM
<b>Fair value of identifiable net (liabilities)/assets</b>				
Property, plant and equipment	3,290,583	134,147	-	3,424,730
Investment property	-	102,900	-	102,900
Inventories	4,000,399	1,062,218	97,483	5,160,100
Trade receivables	2,055,679	890,220	355,765	3,301,664
Other receivables	513,911	261,140	108,156	883,207
Amount due from related companies	-	1,039,878	9,677	1,049,555
Amount due from holding company	-	6,707,813	-	6,707,813
Cash and cash equivalents	3,952,118	176,731	238,660	4,367,509
Trade payables	(500,259)	(304,020)	(134,032)	(938,311)
Other payables	(5,568,578)	(1,314,284)	(16,146)	(6,899,008)
Amount due to holding company	(19,262,964)	-	(76,734)	(19,339,698)
Amount due to related companies	(971,848)	-	(1,114,475)	(2,086,323)
Amount due to a Director	(350,000)	-	-	(350,000)
Lease liabilities	(1,962,309)	(58,647)	-	(2,020,956)
<b>Total identifiable net (liabilities)/assets</b>	<b>(14,803,268)</b>	<b>8,698,096</b>	<b>(531,646)</b>	<b>(6,636,818)</b>
Cash consideration	3,411,000	587,000	386,000	4,384,000
Waiver of debts	(19,262,964)	6,693,224	(1,114,475)	(13,684,215)
<b>Fair value of consideration</b>	<b>(15,851,964)</b>	<b>7,280,224</b>	<b>(728,475)</b>	<b>(9,300,215)</b>
<b>Fair value of identifiable net (liabilities)/assets</b>	<b>(14,803,268)</b>	<b>8,698,096</b>	<b>(531,646)</b>	<b>(6,636,818)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 2019 (cont'd)

#### Disposal of subsidiaries (cont'd)

The following summarises the major classes of consideration and the recognised amounts of assets disposed and transferred at the disposal date (cont'd):-

	<u>EJMSB</u> RM	<u>GABCSB</u> RM	<u>YRSB</u> RM	<u>Total</u> RM
<b>Loss on disposal of subsidiaries</b>				
- Attributed to loss on disposed interest	(1,048,696)	(1,417,872)	(196,829)	(2,663,397)
- Realisation of fair value adjustment	340,979	-	-	340,979
	<u>(707,717)</u>	<u>(1,417,872)</u>	<u>(196,829)</u>	<u>(2,322,418)</u>
Cash consideration	3,411,000	587,000	386,000	4,384,000
Less: Waiver of debts	(19,262,964)	6,693,224	(1,114,475)	(13,684,215)
Less: Cash and cash equivalents disposed	<u>(3,952,118)</u>	<u>(176,731)</u>	<u>(238,660)</u>	<u>(4,367,509)</u>
Net cash (outflow)/inflow from disposal of subsidiaries	<u>(19,804,082)</u>	<u>7,103,493</u>	<u>(967,135)</u>	<u>(13,667,724)</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 6. INTANGIBLE ASSETS

	<u>Trademarks</u> RM	<u>Goodwill</u> RM	Development <u>costs</u> RM	<u>Total</u> RM
<b>Group</b>				
<b>Cost</b>				
At 1.1.2019	2,235,149	129,776	6,482,611	8,847,536
Additions through internal development	-	-	609,427	609,427
Additions through separately acquired	-	-	94,446	94,446
Disposal of subsidiaries	(2,235,149)	-	-	(2,235,149)
At 31.12.2019/31.12.2020	-	129,776	7,186,484	7,316,260
<b>Accumulated amortisation</b>				
At 1.1.2019	-	-	1,253,577	1,253,777
Charge for the financial year	-	-	1,397,829	1,397,829
At 31.12.2019	-	-	2,651,406	2,651,406
Charge for the financial year	-	-	1,120,018	1,120,018
At 31.12.2020	-	-	3,771,424	3,771,424
<b>Accumulated impairment loss</b>				
At 1.1.2019	2,235,149	-	-	2,235,149
Charge for the financial year	-	-	1,152,770	1,152,770
Disposal of subsidiaries	(2,235,149)	-	-	(2,235,149)
At 31.12.2019	-	-	1,152,770	1,152,770
Charge for the financial year	-	-	2,262,290	2,262,290
At 31.12.2020	-	-	3,415,060	3,415,060
<b>Net carrying amount</b>				
At 31.12.2020	-	129,776	-	129,776
At 31.12.2019	-	129,776	3,382,308	3,512,084



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 6. INTANGIBLE ASSETS (CONT'D)

#### Descriptions of the intangible assets

The trademarks have been allocated to the apparel business segment while the goodwill has been allocated to Atilze Digital Sdn. Bhd., under the information and communications technology (“ICT”) business segment.

The development costs represent direct attributable costs through internal development and separately acquired for development of Internet of Things (“IoT”) products and solutions. Development costs are amortised using the straight-line basis over the estimated average useful life of 5 years.

#### Impairment testing on intangible assets

For the purpose of impairment testing, the trademarks, goodwill and development costs have been allocated to the Group’s operating divisions which represent the lowest cash-generating unit (“CGU”) level within the Group at which these intangible assets are monitored for internal management purposes.

The recoverable amounts of the CGUs was based on their value-in-use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:-

- Cash flows were projected based on actual operating results and a 4-year (2019: 5-year) business plan.
- A pre-tax discount rate of 7.04% (2019: 7.00%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium relating to the relevant business segments.

The cash flow projections are derived from the most recent financial budgets approved by the management.

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 7. INVENTORIES

	<b>Group</b>		<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
Trading goods	<u>2,961,862</u>	<u>1,064,075</u>	<u>579,843</u>	<u>-</u>
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
<u>Recognised in profit or loss:-</u>				
Inventories recognised				
as cost of sales	13,565,342	13,340,289	2,779,612	-
Inventories written off	-	665,215	-	-
Provision for slow-moving inventories	<u>-</u>	<u>101,388</u>	<u>-</u>	<u>-</u>

## 8. TRADE RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
Gross amount	9,415,381	11,051,064	1,713,893	-
Less: Allowance for ECL	<u>(1,131,448)</u>	<u>(237,887)</u>	<u>(777,958)</u>	<u>-</u>
Carrying amount	<u>8,283,933</u>	<u>10,813,177</u>	<u>935,935</u>	<u>-</u>

The foreign currency profile exposure of trade receivables is as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
United States Dollar ("USD")	<u>6,256,013</u>	<u>4,519,365</u>	<u>-</u>	<u>-</u>

Trade receivables are non-interest bearing and credit terms are generally ranged from 0 to 90 days (2019: 0 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 8. TRADE RECEIVABLES (CONT'D)

#### 8.1 Allowance for ECL

The movements are as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
At 1 January	237,887	958,633	-	-
Charge for the financial year	893,561	871,876	777,958	-
Disposal of subsidiaries	-	(1,164,157)	-	-
Reversal for the financial year	-	(428,465)	-	-
At 31 December	<u>1,131,448</u>	<u>237,887</u>	<u>777,958</u>	<u>-</u>

#### 8.2 Related parties

Included in trade receivables are the following:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
A major shareholder of the Company	789,660	5,714,735	-	-
Subsidiaries of a major shareholder of the Company	<u>6,123,219</u>	<u>4,535,813</u>	<u>8,750</u>	<u>-</u>
	<u>6,912,879</u>	<u>10,250,548</u>	<u>8,750</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 9. OTHER RECEIVABLES

	Group		Company	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
Non-trade receivables				
- Amount due from former subsidiaries	3,975,296	3,975,296	3,975,296	3,975,296
- Deposit placed with solicitors	-	3,945,600	-	3,945,600
- Others	42,020	3,592	20,520	20
Gross amount	4,017,316	7,924,488	3,995,816	7,920,916
Less: Allowance for expected credit losses				
At 1 January	-	244,595	-	244,595
Addition	1,043,142	-	1,043,142	-
Reversal	-	(244,595)	-	(244,595)
At 31 December	1,043,142	-	1,043,142	-
Carrying amount	2,974,174	7,924,488	2,952,674	7,920,916
Refundable deposits	7,258,193	7,158,313	139,840	5,000
Advances to suppliers	9,240	3,283,984	-	-
Prepayments	104,601	65,371	73,079	-
GST receivable	5,331	5,331	-	-
	<u>10,351,539</u>	<u>18,437,487</u>	<u>3,165,593</u>	<u>7,925,916</u>

The foreign currency profile exposure of other receivables is as follows:-

	Group		Company	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
USD	<u>9,240</u>	<u>3,275,006</u>	<u>-</u>	<u>-</u>

Included in the Group's non-trade receivables is an amount of RM40 (2019: RM320) due from corporate shareholders of subsidiaries of the Company. The amounts are unsecured, non-interest bearing and repayable on demand.

Included in the Group's non-trade receivables is an amount of RMNil (2019: RM1,111) due from a major shareholder of the Company. The amounts are unsecured, non-interest bearing and repayable on demand.

Included in the Group's deposits is an amount of RM5,050,000 (2019: RM5,050,000) relating to preliminary consultancy works for an AI Park and an amount of RM2,000,000 (2019: RM2,000,000) relating to the advances under business development activities in AI and security business.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 10. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM
<u>Amount due from subsidiaries:-</u>		
Gross amount	50,708,008	52,820,801
Less: Allowance for ECL		
At 1 January	25,166,913	-
Charge for the financial year	21,252,452	25,166,913
Written off during the financial year	(1,692,296)	-
At 31 December	<u>44,727,069</u>	<u>25,166,913</u>
Carrying amount	<u>5,980,939</u>	<u>27,653,888</u>
<u>Amount due to subsidiaries:-</u>		
Gross amount/Carrying amount	<u>-</u>	<u>(1,863,392)</u>

The amount due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

### 11. CASH AND CASH EQUIVALENTS

	<b>Group</b>		<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
Short-term investments	3,500,000	3,011,187	3,500,000	-
Cash and bank balances	<u>2,260,609</u>	<u>7,342,035</u>	<u>678,858</u>	<u>3,679,341</u>
	<u>5,760,609</u>	<u>10,353,222</u>	<u>4,178,858</u>	<u>3,679,341</u>

The foreign currency profile exposure of cash and cash equivalents is as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
USD	<u>50,323</u>	<u>66,793</u>	<u>-</u>	<u>-</u>

The effective interest rates of the short-term investments as at the end of the reporting period ranged from 1.05% to 3.22% (2019: 3.35% to 3.73%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 12. SHARE CAPITAL

	Group and Company		Amount	
	Number of ordinary shares			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			RM	RM
<u>Issued and fully paid</u>				
<u>with no par value:-</u>				
At 1 January	468,025,762	412,500,000	74,302,576	68,750,000
Allotment of shares pursuant to warrant exercise	<u>136,600</u>	<u>55,525,762</u>	<u>13,660</u>	<u>5,552,576</u>
At 31 December	<u>468,162,362</u>	<u>468,025,762</u>	<u>74,316,236</u>	<u>74,302,576</u>

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

## 13. WARRANT RESERVE/OTHER RESERVE

On 9 October 2017, the Company issued 206,249,978 5-years free detachable warrants ("Warrants") pursuant to the Company's Rights Issue. The Warrants are listed on Bursa Malaysia on 9 October 2017. During the financial year, 136,600 Warrants were exercised.

The movements of the warrants are as follows:-

	Group and Company		Amount	
	Number of warrants			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			RM	RM
At 1 January	150,724,216	206,249,978	16,301,539	22,306,914
Exercised during the financial year	<u>(136,600)</u>	<u>(55,525,762)</u>	<u>(14,774)</u>	<u>(6,005,375)</u>
At 31 December	<u>150,587,616</u>	<u>150,724,216</u>	<u>16,286,765</u>	<u>16,301,539</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 13. WARRANT RESERVE/OTHER RESERVE (CONT'D)

The main features of the Warrants are as follows:-

- (i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM0.10 per ordinary share.
- (ii) The exercise price and/or the number of Warrants in issue shall be subject to adjustments in accordance with the provisions of the deed poll during the exercise period.
- (iii) The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants until the last market day prior to the fifth anniversary of the date of issuance of the Warrants.
- (iv) The Warrant holders are not entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of issuance and allotment of ordinary shares upon the exercise of the warrants. The warrant holders are not entitled to voting rights in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company unless such Warrant holders exercise their Warrants for the new ordinary shares.
- (v) All new ordinary shares to be issued upon the exercise of the Warrants shall, on allotment and issue, rank pari passu in all respects with the then existing ordinary shares of the Company save and except that they shall not be entitled to any dividends, rights, allotments and other distributions, the entitlement date of which is prior to the date of allotment of such new ordinary shares, and will be subject to all provisions of the Articles of Association of the Company.
- (vi) At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

### 14. CONTRACT LIABILITIES

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
	RM	RM
Contract liabilities arising from receiving deposits for sales orders	<u>75,833</u>	<u>83,934</u>

The contract liabilities relate to unfulfilled performance obligations arising from deposit received from customers before the production activity commences. The deposit will be reversed and recognised as revenue upon satisfying the performance obligation within the contract.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 14. CONTRACT LIABILITIES (CONT'D)

The Group expects revenue to be recognised from unfulfilled performance obligation as follows:-

	<b>Group</b>	
	<u>2020</u> RM	<u>2019</u> RM
Within 1 year	75,833	28,070
Between 2 to 5 years	-	55,864
	<u>75,833</u>	<u>83,934</u>

The movements in contract liabilities are as follows:-

	<b>Group</b>	
	<u>2020</u> RM	<u>2019</u> RM
At 1 January	83,934	23,480
Additions	49,808	73,704
Recognised as revenue	<u>(57,909)</u>	<u>(13,250)</u>
At 31 December	<u>75,833</u>	<u>83,934</u>

## 15. LEASE LIABILITIES

	<b>Group</b>		<b>Company</b>	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
<u>Minimum lease payments:-</u>				
- Within 1 year	351,012	293,362	182,640	-
- Between 2 to 5 years	-	517,214	-	-
- More than 5 years	-	56,000	-	-
	<u>351,012</u>	<u>866,576</u>	<u>182,640</u>	<u>-</u>
Less: Future finance charges	<u>(6,857)</u>	<u>(62,844)</u>	<u>(3,684)</u>	<u>-</u>
Present value of lease liabilities	<u>344,155</u>	<u>803,732</u>	<u>178,956</u>	<u>-</u>
<u>Present value of lease liabilities:-</u>				
- Within 1 year	344,155	267,307	178,956	-
- Between 2 to 5 years	-	481,218	-	-
- More than 5 years	-	55,207	-	-
	<u>344,155</u>	<u>803,732</u>	<u>178,956</u>	<u>-</u>



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 15. LEASE LIABILITIES (CONT'D)

The Group and the Company have elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expenses relating to payments not included in the measurement of the lease liabilities is as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Short-term leases	6,552	817,042	-	-
Leases of low value assets	5,400	2,340	1,080	-
Variable lease payments	7,523	14,326	-	-
	<u>19,475</u>	<u>833,708</u>	<u>1,080</u>	<u>-</u>

The effective interest rates of the lease liabilities ranging from 3.82% to 5.46% (2019: at 3.82%) per annum.

### 16. TRADE PAYABLES

The trade payables are non-interest bearing and credit terms are generally ranged from 0 to 90 days (2019: 0 to 90 days).

The foreign currency profile exposure of trade payables is as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Euro Dollar ("EUR")	1,037	-	-	-
Singapore Dollar ("SGD")	9,184	43,590	-	-
USD	<u>322,142</u>	<u>3,785,563</u>	<u>321,360</u>	<u>-</u>

Included in the Group's trade payables is an amount of RM126 (2019: RM3,785,563) due to a subsidiary of a major shareholder of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 17. OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Non-trade payables	493,991	844,086	267,164	380,534
Accrual of expenses	153,565	534,984	76,001	472,452
SST payable	1,019	-	1,019	-
	<u>648,575</u>	<u>1,379,070</u>	<u>344,184</u>	<u>852,986</u>

The foreign currency profile exposure of other payables is as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
USD	19,664	49	-	-
Indonesia Rupiah ("IDR")	<u>2,228</u>	<u>2,228</u>	<u>-</u>	<u>-</u>

Included in the Group's non-trade payables are amount of RM8,632 (2019: RMNil) and RM33,433 (2019: RM21,060) due to the holding company of a major shareholder of the Company and subsidiaries of a major shareholder of the Company, respectively. The amounts are unsecured, non-interest bearing and repayable on demand.

Included in the Group's and the Company's non-trade payables is an amount of RM108,156 and RM108,156 (2019: RM109,129 and RM108,156) due to a subsidiary disposed in prior financial year. The amount is unsecured, non-interest bearing and repayable within one year.

## 18. REVENUE

### Disaggregated revenue information

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<b>Information and communication technologies ("ICT")</b>				
<u>Recognised at a point in time:-</u>				
- Sales of products and solutions	14,165,015	13,771,339	3,214,054	-
- Services rendered	127,920	25,734	-	-
- Others	<u>83,199</u>	<u>75,385</u>	<u>-</u>	<u>-</u>
	<u>14,376,134</u>	<u>13,872,458</u>	<u>3,214,054</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 18. REVENUE (CONT'D)

#### Disaggregated revenue information (cont'd)

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<b>Information and communication technologies ("ICT") (cont'd)</b>				
<u>Recognised over time:-</u>				
- Services rendered	652,640	341,113	-	-
Total revenue from contracts with customers	15,028,774	14,213,571	3,214,054	-
<b>Geographical markets</b>				
- Malaysia	11,761,968	11,101,051	3,214,054	-
- Singapore	3,266,806	3,072,731	-	-
- Others	-	39,789	-	-
Total revenue from contracts with customers	15,028,774	14,213,571	3,214,054	-

### 19. LOSS BEFORE TAX

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

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Allowance for ECL				
- Trade receivables	893,561	237,887	777,958	-
- Other receivables	1,043,142	-	1,043,142	-
- Amount due from subsidiaries	-	-	21,252,452	25,166,913
Amortisation of intangible assets	1,120,018	1,397,829	-	-
Deposits written off	200	-	-	-
Depreciation of property, plant and equipment	656,074	593,586	155,892	-
Directors' fee for non-executive Directors	205,000	147,083	205,000	147,083
Fair value loss on short-term investments	-	294,355	-	-
Gain on lease modification	(9,757)	-	-	-
Goodwill written off	1,295	-	-	-
Loss/(Gain) on disposal of subsidiaries	5,086	2,322,418	(4,317)	17,638,514

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 19. LOSS BEFORE TAX (CONT'D)

Loss before tax has been determined after charging/(crediting) amongst others, the following (cont'd):-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Loss on disposal of property, plant and equipment	891	-	-	-
Impairment loss on investment in subsidiaries	-	-	2,214,731	-
Impairment loss on intangible assets	2,262,290	1,152,770	-	-
Impairment loss on property, plant and equipment	-	343,432	-	-
Interest expenses on lease liabilities	18,990	12,018	8,446	-
Interest income	(117,771)	(711,325)	(36,542)	(23,360)
Inventories written off	-	1,859	-	-
Provision for slow moving inventories	-	101,388	-	-
Property, plant and equipment written off	10,209	18,858	-	-
Realised (gain)/loss on foreign exchange	(38,572)	29,072	16	-
Reversal of allowance for ECL				
- Other receivables	-	(244,595)	-	(244,595)
* Staff costs	5,652,833	6,869,846	1,720,201	91,250
Unrealised loss/(gain) on foreign exchange	183,312	(7,677)	(12,240)	-
Waiver of debt on amount due from a disposed subsidiary	-	-	24,742	-
Waiver of debt on amount due to subsidiaries	-	-	(1,862,667)	-
<b>* Staff costs</b>				
- Salaries, allowance, commission and bonus	4,866,327	6,134,777	1,314,423	-
- EPF	475,711	602,489	118,399	-
- SOCSO	28,104	32,285	7,015	-
- EIS	3,017	9,045	690	-
- Other benefits	10,028	-	10,028	-
- Directors' fee	269,646	91,250	269,646	91,250
	<u>5,652,833</u>	<u>6,869,846</u>	<u>1,720,201</u>	<u>91,250</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 19. LOSS BEFORE TAX (CONT'D)

#### Directors' remuneration

Included in the staff costs of the Group and of the Company are Directors' remuneration as shown below:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Executive Directors of the Company:-</u>				
<b>Directors' emoluments</b>				
- Salaries, allowance and bonus	380,000	410,768	380,000	-
- EPF	12,000	48,580	12,000	-
- SOCSO	592	-	592	-
- EIS	40	-	40	-
- Directors' fee	64,646	91,250	64,646	91,250
- Benefits-in-kind	-	1,540	-	-
	<u>457,278</u>	<u>552,138</u>	<u>457,278</u>	<u>91,250</u>
<u>Executive Directors of the subsidiaries:-</u>				
<b>Directors' emoluments</b>				
- Salaries, allowance and bonus	301,500	192,135	-	-
- EPF	36,000	18,240	-	-
- SOCSO	829	-	-	-
- EIS	95	-	-	-
- Benefits-in-kind	-	1,680	-	-
	<u>338,424</u>	<u>212,055</u>	<u>-</u>	<u>-</u>
Total Executive Directors' remuneration	<u>795,702</u>	<u>764,193</u>	<u>457,278</u>	<u>91,250</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 20. TAX EXPENSE

	Group		Company	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
<u>Current tax:-</u>				
Provision for current financial year	764	-	-	-
Under provision in prior financial year	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,165</u>	<u>-</u>	<u>-</u>	<u>-</u>

A reconciliation of tax expense applicable to loss before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
Loss before tax	<u>(13,392,675)</u>	<u>(15,028,351)</u>	<u>(25,568,160)</u>	<u>(44,012,147)</u>
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	(3,214,241)	(3,606,804)	(6,136,358)	(10,562,915)
<u>Tax effects in respect of:-</u>				
Income not subject to tax	(115,993)	(66,151)	(534,881)	(64,309)
Expenses not deductible for tax purposes	2,100,038	591,955	6,358,519	10,627,224
Movement of deferred tax assets not recognised	1,230,960	3,081,000	312,720	-
Under provision in prior year	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,165</u>	<u>-</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

### - 31 DECEMBER 2020 (CONT'D)

#### 20. TAX EXPENSE (CONT'D)

Deferred tax assets that have not been recognised in respect of the following items due to uncertainty of its recoverability are as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Property, plant and equipment	71,000	115,000	(11,000)	-
Unabsorbed business losses	31,594,000	26,771,000	1,296,000	-
Unutilised capital allowances	1,548,000	1,202,000	18,000	-
Others	<u>5,628,000</u>	<u>5,624,000</u>	<u>-</u>	<u>-</u>
	<u>38,841,000</u>	<u>33,712,000</u>	<u>1,303,000</u>	<u>-</u>

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 subsidiaries companies that have a recent history of losses.

Effective Year of Assessment 2019 as announced in the Annual Budget 2019, the unabsorbed business losses of the Company as at 31 December 2018 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unabsorbed tax losses will be disregarded.

The expiry of the unabsorbed business losses are as follows:-

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Unabsorbed business losses:-</u>				
Year of assessment 2026	26,771,000	26,771,000	-	-
Year of assessment 2027	<u>4,823,000</u>	<u>-</u>	<u>1,296,000</u>	<u>-</u>
	<u>31,594,000</u>	<u>26,771,000</u>	<u>1,296,000</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 21. DISCONTINUED OPERATIONS

On 27 May 2019, the Company has entered into a Share Sale Agreement to dispose of its entire shareholding in EJMSB, GABCSB and YRSB (“discontinued operations”). As a result, the results of the discontinued operations are presented separately in the statements of profit or loss and other comprehensive income under Discontinued Operations. The disposal was completed in 2019 and the related information are disclosed in Note 5 to the Financial Statements.

The results of the discontinued operations of the Group are as follows:-

	<u>EJMSB</u> RM	<u>GABCSB</u> RM	<u>YRSB</u> RM	<u>Elimination</u> RM	<u>Total</u> RM
<b>2019</b>					
Revenue	11,920,743	3,285,584	1,173,730	(1,262,221)	15,117,836
Cost of sales	(5,200,113)	(2,115,173)	(784,206)	1,262,221	(6,837,271)
Gross profit	6,720,630	1,170,411	389,524	-	8,280,565
Other income	1,643,062	2,026,463	15,060	(1,841,000)	1,843,585
Administrative expenses	(6,366,572)	(2,258,909)	(197,048)	1,841,000	(6,981,529)
Selling and distribution costs	(3,719,590)	(574,371)	(103,185)	-	(4,397,146)
Finance costs	(109,789)	(3,795)	-	-	(113,584)
(Loss)/Profit before tax	(1,832,259)	359,799	104,351	-	(1,368,109)
Tax expense	-	-	-	-	-
(Loss)/Profit for the financial year	(1,832,259)	359,799	104,351	-	(1,368,109)

The loss for the year of discontinued operations of RM1,368,109 in 2019 of the Group is attributable entirely to the owners of the Company.

(Loss)/Profit before tax of the discontinued operations of the Group has been determined after charging/(crediting) amongst others, the following:-

	<u>EJMSB</u> RM	<u>GABCSB</u> RM	<u>YRSB</u> RM	<u>Total</u> RM
<b>2019</b>				
Allowance for expected credit losses				
- Trade receivables	567,111	59,128	7,750	633,989
Auditors’ remuneration				
- Statutory audit	18,000	15,000	5,000	38,000
Depreciation of property, plant and equipment	1,069,516	99,681	-	1,169,197
Depreciation of investment property	-	3,600	-	3,600
Gain on disposal of property, plant and equipment	-	(10,000)	-	(10,000)
Interest expenses				
- Lease liabilities	109,789	3,795	-	113,584
Interest income	(168,369)	-	-	(168,369)



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 21. DISCONTINUED OPERATIONS (CONT'D)

(Loss)/Profit before tax of the discontinued operations of the Group has been determined after charging/(crediting) amongst others, the following (cont'd):-

	<u>EJMSB</u> RM	<u>GABCSB</u> RM	<u>YRSB</u> RM	<u>Total</u> RM
<b>2019 (cont'd)</b>				
Inventories written off	519,835	143,521	-	663,356
Property, plant and equipment written off	16,777	28,388	-	45,165
Realised loss/(gain) on foreign exchange	3,258	(2,478)	-	780
Rental income	-	(900)	-	(900)
Reversal of allowance for expected credit losses				
- Trade receivables	(295,520)	(117,885)	(15,060)	(428,465)
Royalty income	(1,085,720)	(56,000)	-	(1,141,720)
Staff costs	3,601,617	2,161,504	59,804	5,822,925

#### Directors' remuneration

Included in the staff costs of the discontinued operations of the Group are Directors' remuneration as shown below:-

	<b>Group</b> <b>2019</b> <b>RM</b>
<u>Executive Directors of the Company:-</u>	
<b>Directors' emoluments</b>	
- Salaries, allowance and bonus	518,316
- EPF	54,258
- Benefits-in-kind	11,100
	<u>583,674</u>
<u>Executive Directors of the subsidiaries:-</u>	
<b>Directors' emoluments</b>	
- Salaries, allowance and bonus	554,647
- EPF	61,452
	<u>616,099</u>
Total Executive Directors' remuneration	<u>1,199,773</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 21. DISCONTINUED OPERATIONS (CONT'D)

The cash flows from/(used in) discontinued operations of the Group are as follows:-

	<u>EJMSB</u> RM	<u>GABCSB</u> RM	<u>YRSB</u> RM	<u>Total</u> RM
<b>2019</b>				
Operating activities	4,015,167	1,089,092	(962)	5,103,297
Investing activities	(914,233)	(22,720)	-	(936,953)
Financing activities	(395,593)	(1,089,216)	-	(1,484,809)
Net cash inflows/(outflows)	<u>2,705,341</u>	<u>(22,844)</u>	<u>(962)</u>	<u>2,681,535</u>

## 22. LOSS PER SHARE

### Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of shares outstanding during the financial year calculated as follows:-

	<u>2020</u> RM	<u>2019</u> RM
Loss from continuing operations	(13,388,222)	(15,024,657)
Loss from discontinued operations	<u>-</u>	<u>(1,368,109)</u>
Loss attributable to owners of the Company	<u>(13,388,222)</u>	<u>(16,392,766)</u>
Weighted average number of ordinary shares (unit)	<u>468,112,178</u>	<u>420,800,386</u>
Basic loss per share from continuing operations (sen)	(2.86)	(3.57)
Basic loss per share from discontinued operations (sen)	<u>-</u>	<u>(0.33)</u>
	<u>(2.86)</u>	<u>(3.90)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### - 31 DECEMBER 2020 (CONT'D)

#### 22. LOSS PER SHARE (CONT'D)

##### Diluted loss per share

Diluted loss per share is calculated by dividing the loss attributable to owners of the Company to the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares calculated as follows:-

	<b>Group</b>	
	<u>2020</u> RM	<u>2019</u> RM
Loss from continuing operations	(13,388,222)	(15,024,657)
Loss from discontinued operations	<u>-</u>	<u>(1,368,109)</u>
Loss attributable to owners of the Company	<u>(13,388,222)</u>	<u>(16,392,766)</u>
Weighted average number of ordinary shares (unit)	468,112,178	420,800,386
Effects of warrants outstanding (unit)	<u>144,364,987</u>	<u>143,647,962</u>
	<u>612,477,165</u>	<u>564,448,348</u>
Diluted loss per share from continuing operations (sen)	(2.19)	(2.66)
Diluted loss per share from discontinued operations (sen)	<u>-</u>	<u>(0.24)</u>
	<u>(2.19)</u>	<u>(2.90)</u>

#### 23. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments.

The business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

### 23. SEGMENTAL INFORMATION (CONT'D)

#### **Business segments (cont'd)**

For management purpose, the Group is organised into three business segments as follows:-

- |  |   |
|--|---|
| (i) Investment holding                                   | Investment activities in unquoted securities held by the Group on a long-term basis.  |
| (ii) Apparels  | Manufacturing, marketing, distribution and retailing of jeanswear, other fashion apparels and accessories. However, all companies under Apparels are dormant for the financial years 2020 and 2019. |
| (iii) Information, communications and technology ("ICT") | Supply of telecommunication solutions, services and related products.   |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 23. SEGMENTAL INFORMATION (CONT'D)

#### Business segments (cont'd)

	Note	Investment holding RM	Apparels RM	ICT RM	Elimination RM	Total continuing operations RM	Total discontinued operations RM	Total RM
<b>Group</b>								
<b>2020</b>								
<b>Revenue:</b>								
External sales		-	-	15,028,774	-	15,028,774	-	15,028,774
<b>Results:</b>								
Interest income		36,542	-	81,229	-	117,771	-	117,771
Finance costs		(8,446)	-	(10,544)	-	(18,990)	-	(18,990)
Depreciation and amortisation		(155,892)	-	(1,620,200)	-	(1,776,092)	-	(1,776,092)
Taxation		-	-	(2,165)	-	(2,165)	-	(2,165)
Non-cash expenses other than depreciation and amortisation		(1,049,523)	-	(3,340,706)	-	(4,390,229)	-	(4,390,229)
Segment loss	<b>A</b>	(1,570,546)	(26,676)	(11,797,618)	-	(13,394,840)	-	(13,394,840)
<b>Assets:</b>								
Additions to non-current assets	<b>B</b>	379,138	-	152,156	-	531,294	-	531,294
Segment assets	<b>C</b>	14,531,873	456	21,340,104	(6,936,042)	28,936,391	-	28,936,391
<b>Liabilities:</b>								
Segment liabilities	<b>D</b>	523,140	55,573	57,879,101	(55,983,165)	2,474,649	-	2,474,649

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 23. SEGMENTAL INFORMATION (CONT'D)

### Business segments (cont'd)

	Note	Investment holding RM	Apparels RM	ICT RM	Elimination RM	Total continuing operations RM	Total discontinued operations RM	Total RM
<b>Group (cont'd)</b>								
<b>2019</b>								
<b>Revenue:</b>								
External sales		-	-	14,213,571	-	14,213,571	15,117,836	29,331,407
<b>Results:</b>								
Interest income		23,360	-	687,965	-	711,325	168,369	879,694
Finance costs		-	-	(12,018)	-	(12,018)	(113,584)	(125,602)
Depreciation and amortisation		-	-	(1,991,415)	-	(1,991,415)	(1,172,797)	(3,164,212)
Taxation		-	-	-	-	-	-	-
Non-cash expenses other than depreciation and amortisation		(2,077,823)	-	(2,142,872)	-	(4,220,695)	(904,045)	(5,124,740)
Segment loss	A	(3,529,138)	(27,549)	(11,471,664)	-	(15,028,351)	(1,368,109)	(16,396,460)
<b>Assets:</b>								
Additions to non-current assets	B	-	-	2,322,442	-	2,322,442	1,992,095	4,314,537
Segment assets	C	42,449,883	1,864,291	34,570,600	(32,675,101)	46,209,673	-	46,209,673
<b>Liabilities:</b>								
Segment liabilities	D	2,716,378	1,727,359	61,952,103	(60,027,795)	6,368,045	-	6,368,045

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 23. SEGMENTAL INFORMATION (CONT'D)

#### Business segments (cont'd)

Notes to segment information:-

A. Other non-cash (expenses)/income consist of the following items:-

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
	RM	RM
Allowance for ECL	(1,936,703)	(871,876)
Deposits written off	(200)	-
Fair value loss on short-term investments	-	(294,355)
Gain on lease modification	9,757	-
Goodwill written off	(1,295)	-
Impairment loss on property, plant and equipment	-	(343,432)
Impairment loss on intangible assets	(2,262,290)	(1,152,770)
Inventories written off	-	(665,215)
(Loss)/Gain on disposal of property, plant and equipment	(891)	10,000
Loss on disposal of subsidiaries	(5,086)	(2,322,418)
Provision for slow-moving inventories	-	(101,388)
Property, plant and equipment written off	(10,209)	(64,023)
Reversal of allowance for ECL	-	673,060
Unrealised (loss)/gain on foreign exchange	(183,312)	7,677
	<u>(4,390,229)</u>	<u>(5,124,740)</u>

B. Additions to non-current assets consists of:-

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
	RM	RM
Property, plant and equipment	531,294	3,610,664
Intangible assets	-	703,873
	<u>531,294</u>	<u>4,314,537</u>

C. The following items are adjusted from segment assets to arrive at total assets reported in the statements of financial position:-

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
	RM	RM
Investment in subsidiaries	1,034,908	3,245,738
Inter-segment balances	6,030,910	29,559,139
Goodwill	(129,776)	(129,776)
	<u>6,936,042</u>	<u>32,675,101</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 23. SEGMENTAL INFORMATION (CONT'D)

### Business segments (cont'd)

Notes to segment information (cont'd):-

D. The following items are adjusted from segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	Group	
	<u>2020</u> RM	<u>2019</u> RM
Inter-segment balances	<u>55,983,165</u>	<u>60,027,795</u>

### Geographical segments

The business segment of the Group is managed principally in Malaysia and its products are distributed in Malaysia, Singapore and others.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas non-current assets are based on the geographical location of assets.

	Revenue		Non-current assets	
	<u>2020</u> RM	<u>2019</u> RM	<u>2020</u> RM	<u>2019</u> RM
<b>Group</b>				
<u>Continuing operations:-</u>				
Malaysia	11,761,968	11,101,051	1,448,044	5,541,712
Singapore	3,266,806	3,072,731	-	-
Others	-	39,789	-	-
	<u>15,028,774</u>	<u>14,213,571</u>	<u>1,448,044</u>	<u>5,541,712</u>
<u>Discontinued operations:-</u>				
Malaysia	-	15,117,836	-	-
	<u>15,028,774</u>	<u>29,331,407</u>	<u>1,448,044</u>	<u>5,541,712</u>

### Information about major customers

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

	Segment	<u>2020</u> RM	<u>2019</u> RM
Customer A	ICT	5,555,329	9,341,242
Customer B	ICT	<u>3,266,806</u>	<u>3,046,620</u>



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 24. RELATED PARTY DISCLOSURES

#### (a) Related party transactions

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Sales to a subsidiary	-	-	(209,400)	-
Sales to related parties	(8,848,685)	(12,414,542)	(26,550)	-
Purchases from related parties	5,477,000	7,296,922	-	-
Purchase of property, plant and equipment from related parties	-	14,870	-	-
Purchase of property, plant and equipment from a subsidiary	-	-	3,329	-

- (b) The outstanding balances arising from related party transactions at the reporting date are disclosed in Notes 8, 9, 10, 16 and 17 to the Financial Statements.
- (c) Key management personnel is define as the person having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The Group and the Company have no other members of key management personnel other than those disclosed in Note 19 to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 25. FINANCIAL INSTRUMENTS

### 25.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities at amortised costs ("AC") and fair value through profit or loss ("FVTPL"):-

	Carrying <u>Amount</u> RM	<u>AC</u> RM	<u>FVTPL</u> RM
<b>2020</b>			
<b>Group</b>			
<u>Financial assets</u>			
Trade receivables	8,283,933	8,283,933	-
Other receivables	10,232,367	10,232,367	-
Cash and cash equivalents	5,760,609	2,260,609	3,500,000
	<u>24,276,909</u>	<u>20,776,909</u>	<u>3,500,000</u>
<u>Financial liabilities</u>			
Trade payables	1,386,815	1,386,815	-
Other payables	647,556	647,556	-
	<u>2,034,371</u>	<u>2,034,371</u>	<u>-</u>
<b>Company</b>			
<u>Financial assets</u>			
Trade receivables	935,935	935,935	-
Other receivables	3,092,514	3,092,514	-
Amount due from subsidiaries	5,980,939	5,980,939	-
Cash and cash equivalents	4,178,858	678,858	3,500,000
	<u>14,188,246</u>	<u>10,688,246</u>	<u>3,500,000</u>
<u>Financial liabilities</u>			
Trade payables	1,345,506	1,345,506	-
Other payables	343,165	343,165	-
	<u>1,688,671</u>	<u>1,688,671</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### 25.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities at amortised costs ("AC") and fair value through profit or loss ("FVTPL") (cont'd):-

	Carrying <u>Amount</u> RM	<u>AC</u> RM	<u>FVTPL</u> RM
<b>2019</b>			
<b>Group</b>			
<u>Financial assets</u>			
Trade receivables	10,813,177	10,813,177	-
Other receivables	15,082,801	15,082,801	-
Cash and cash equivalents	10,353,222	7,342,035	3,011,187
	<u>36,249,200</u>	<u>33,238,013</u>	<u>3,011,187</u>
<u>Financial liabilities</u>			
Trade payables	4,082,038	4,082,038	-
Other payables	1,379,070	1,379,070	-
	<u>5,461,108</u>	<u>5,461,108</u>	<u>-</u>
<b>Company</b>			
<u>Financial assets</u>			
Other receivables	7,925,916	7,925,916	-
Amount due from subsidiaries	27,653,888	27,653,888	-
Cash and cash equivalents	3,679,341	3,679,341	-
	<u>39,259,145</u>	<u>39,259,145</u>	<u>-</u>
<u>Financial liabilities</u>			
Other payables	852,986	852,986	-
Amount due to subsidiaries	1,863,392	1,863,392	-
	<u>2,716,378</u>	<u>2,716,378</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 25. FINANCIAL INSTRUMENTS (CONT'D)

### 25.2 Financial Risk Management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing their risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

#### (a) Credit Risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations.

The Group's and the Company's exposure to credit risk is monitored on an ongoing basis. The credit risk is controlled by monitoring procedures. An internal credit review is conducted if the credit risk is material. The Group and the Company do not require collateral in respect of financial assets.

The areas where the Group and the Company are exposed to credit risk are as follows:-

#### Receivables

Receivables are monitored on an ongoing basis to mitigate risk of bad debts. The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed quarterly. Any credit exceeding those limits require approval from the management.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The Group and the Company do not hold collateral as security.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

##### (a) Credit Risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

##### Receivables (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's and the Company's trade receivables:-

	2020			2019		
	Gross-carrying amount	Loss-allowance	Net-balances	Gross-carrying amount	Loss-allowance	Net-balances
	RM	RM	RM	RM	RM	RM
<b>Group</b>						
Current (Not past due)	84,369	(751)	83,618	3,746,287	(23,602)	3,722,685
1-30 days past due	26,968	(302)	26,666	440,974	(3,291)	437,683
31-60 days past due	435,910	(6,785)	429,125	41,043	(451)	40,592
61-90 days past due	36,621	(643)	35,978	106,963	(1,140)	105,823
91-120 days past due	950,780	(17,158)	933,622	242,242	(4,191)	238,051
	1,534,648	(25,639)	1,509,009	4,577,509	(32,675)	4,544,834
<b>Credit impaired</b>						
More than 120 days past due	7,093,011	(318,087)	6,774,924	6,473,555	(205,212)	6,268,343
Individually impaired	787,722	(787,722)	-	-	-	-
Trade receivables	9,415,381	(1,131,448)	8,283,933	11,051,064	(237,887)	10,813,177
	2020			2019		
	Gross-carrying amount	Loss-allowance	Net-balances	Gross-carrying amount	Loss-allowance	Net-balances
	RM	RM	RM	RM	RM	RM
<b>Company</b>						
31-60 days past due	8,750	(79)	8,671	-	-	-
61-90 days past due	14,000	(188)	13,812	-	-	-
91-120 days past due	930,101	(16,649)	913,452	-	-	-
	952,851	(16,916)	935,935	-	-	-
<b>Credit impaired</b>						
Individually impaired	761,042	(761,042)	-	-	-	-
Trade receivables	1,713,893	(777,958)	935,935	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

##### (a) Credit Risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

##### Receivables (cont'd)

###### Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified along geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

In respect of trade receivables, the Group and the Company are not exposed to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics except for 75% (2019: 93%) of total Group's trade receivables which were due from 2 (2019: 2) major customers and 99% (2019: Nil%) of total Company's trade receivables which were due from 2 (2019: Nil) major customers.

In respect of most of the other receivables, the Group and the Company are not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

The net carrying amount of receivables is considered a reasonable approximate of its fair value. The maximum exposure to credit risk is the carrying value of each class of receivables as disclosed in Notes 8, 9 and 10 to the Financial Statements.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

##### (a) Credit Risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

##### **Intercompany Balances**

The Company provides advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by its carrying amount in the Company's statement of financial position.

The Company has recognised loss allowance equal to lifetime ECL on the amount due from a subsidiary as it anticipates that there is a significant increase in credit risk of which the subsidiary's financial position deteriorates significantly.

##### **Cash and Cash Equivalents**

The credit risk for cash and cash equivalents is considered negligible, since the counterparty is reputable bank with high quality external credit ratings.

##### (b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables and amount due to subsidiaries, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 25. FINANCIAL INSTRUMENTS (CONT'D)

### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (b) Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as below:-

	Within 1 year RM	Between 2 to 5 years RM	More than 5 years RM	Total RM
<b>2020</b>				
<b>Group</b>				
<u>Non-derivative financial liabilities</u>				
Trade payables	1,386,815	-	-	1,386,815
Other payables	647,556	-	-	647,556
Lease liabilities	351,012	-	-	351,012
Total undiscounted financial liabilities	2,385,383	-	-	2,385,383
<b>Company</b>				
<u>Non-derivative financial liabilities</u>				
Trade payables	1,345,506	-	-	1,345,506
Other payables	343,165	-	-	343,165
Lease liabilities	182,640	-	-	182,640
Total undiscounted financial liabilities	1,871,311	-	-	1,871,311
<b>2019</b>				
<b>Group</b>				
<u>Non-derivative financial liabilities</u>				
Trade payables	4,082,038	-	-	4,082,038
Other payables	1,379,070	-	-	1,379,070
Lease liabilities	293,362	517,214	56,000	866,576
Total undiscounted financial liabilities	5,754,470	517,214	56,000	6,327,684
<b>Company</b>				
<u>Non-derivative financial liabilities</u>				
Other payables	852,986	-	-	852,986
Amount due to subsidiaries	1,863,392	-	-	1,863,392
Total undiscounted financial liabilities	2,716,378	-	-	2,716,378



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

##### (b) Liquidity Risk (cont'd)

The above amounts reflected the contractual undiscounted cash flows of the liabilities, which may differ from carrying amount of the balance of the end of the financial year.

##### (c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

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

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
<b>Fixed rate instrument</b>				
Short-term investment/				
Net financial asset	<u>3,500,000</u>	<u>3,011,187</u>	<u>3,500,000</u>	<u>-</u>

#### Sensitivity Analysis for Fixed Rate Instruments

The Group and the Company do not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 25. FINANCIAL INSTRUMENTS (CONT'D)

### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (d) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group and the Company. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") Indonesian Rupiah ("IDR") and Euro Dollar ("EUR").

Foreign currency denominated financial assets and liabilities which expose the Group and the Company to currency risk are disclosed below. The amount shown was reported to key management and translated into RM at the closing rate:-

	<u>USD</u> RM	<u>SGD</u> RM	<u>IDR</u> RM	<u>EUR</u> RM
<b>2020</b>				
<b>Group</b>				
Financial assets	6,315,576	-	-	-
Financial liabilities	(341,806)	(9,184)	(2,228)	(1,037)
Net exposure	<u>5,973,770</u>	<u>(9,184)</u>	<u>(2,228)</u>	<u>(1,037)</u>
<b>Company</b>				
Financial liabilities	(321,360)	-	-	-
Net exposure	<u>(321,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2019</b>				
<b>Group</b>				
Financial assets	7,861,164	-	-	-
Financial liabilities	(3,785,612)	(43,590)	(2,228)	-
Net exposure	<u>4,075,552</u>	<u>(43,590)</u>	<u>(2,228)</u>	<u>-</u>

#### Sensitivity Analysis for Foreign Currency Risk

Below demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against RM, with all other variables held constant, of the Group's and the Company's loss before tax. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased/decreased loss before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### 25.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (d) Foreign Currency Risk (cont'd)

##### Sensitivity Analysis for Foreign Currency Risk (cont'd)

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
USD	597,377	407,555	(32,136)	-
SGD	(92)	(4,359)	-	-
IDR	(223)	(223)	-	-
EUR	(104)	-	-	-
	<u>596,958</u>	<u>402,973</u>	<u>(32,136)</u>	<u>-</u>

### 26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The movement of financial liabilities arising from financing activities during the financial year is as follows:-

	<u>Lease liabilities</u>	<u>Total</u>
	RM	RM
<b>Group</b>		
At 1 January 2019	1,971,282	1,971,282
Additions	1,747,633	1,747,633
Net cash flows	(894,227)	(894,227)
Disposal of subsidiaries	<u>(2,020,956)</u>	<u>(2,020,956)</u>
At 31 December 2019	803,732	803,732
Additions	328,037	328,037
Net cash flows	(335,528)	(335,528)
Expiration	(24,689)	(24,689)
Termination	<u>(427,397)</u>	<u>(427,397)</u>
At 31 December 2020	<u>344,155</u>	<u>344,155</u>

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

## 26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The movement of financial liabilities arising from financing activities during the financial year is as follows (cont'd):-

	<u>Lease liabilities</u> RM
<b>Company</b>	
At 1 January 2019/At 31 December 2019	-
Additions	328,037
Net cash flows	<u>(149,081)</u>
At 31 December 2020	<u>178,956</u>

## 27. FAIR VALUE MEASUREMENT

### 27.1 Fair Value Measurement of Financial Instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature and insignificant impact of discounting.

The following table shows the levels within the hierarchy of financial instruments for which fair value is disclosed as at the end of the reporting period:-

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total fair value</u> RM	<u>Carrying amount</u> RM
<b>2020</b>					
<b>Group and Company</b>					
Short-term investments	<u>3,500,000</u>	-	-	3,500,000	3,500,000
<b>2019</b>					
<b>Group</b>					
Short-term investments	<u>3,011,187</u>	-	-	3,011,187	3,011,187

### Policy on Transfer Between Levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, level 2 and level 3 during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2020 (CONT'D)

### 27. FAIR VALUE MEASUREMENT (CONT'D)

#### 27.1 Fair Value Measurement of Financial Instruments (cont'd)

##### Level 1 Fair Value

Level 1 fair value of short-term investments is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

### 28. CAPITAL MANAGEMENT

Total capital managed at the Group level is the shareholders' funds as shown in the statements of financial position.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise the shareholders' value.

The Group manages its capital structure and make adjustment to it, in light of changes in economic condition including the interest rate movements. To maintain and adjust capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

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

### 29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Group and the Company have assessed that they have not been significantly affected by the COVID-19 outbreak for the financial year ended 31 December 2020. As at the date of authorisation of the financial statements, the scale and duration of the economic uncertainties arising from the COVID-19 outbreak, could not be reasonably estimated. The Group and the Company are closely monitoring the evolving situation of the COVID-19 outbreak and their related financial effects, if any, on the financial statements of the Group and of the Company will be reflected in the annual financial statements for the financial year ending 31 December 2021.

## NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2020 (CONT'D)

### 29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (b) On 24 July 2020, the Company has entered into a Share Sale Agreement to dispose of its entire shareholding in MSB. The financial impacts on the disposals were disclosed in Note 5 to the Financial Statements.
- (c) On 9 October 2020, AAISB, a wholly-owned subsidiary of the Company has received a Letter of Intent ("LOI") from Technology Park Malaysia ("TPM") for the proposed development of Phase 3 Technology Park Malaysia, Bukit Jalil (the "Project"). The LOI served as an expression by TPM on its intent to further engage with AAISB to discuss on AAISB's Request for Proposal submissions and the Project.

### 30. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- (a) The Malaysian Government has again imposed the MCO and Conditional MCO ("CMCO") for selected states which are severely affected by the novel coronavirus on 11 January 2021. Besides, the Malaysia's King declared state of emergency for the country until 1 August 2021 to curb the spread of Covid-19 outbreak on 12 January 2021. The restrictions imposed have not, however, negatively impacted the Group's and the Company's financial performance.

As at date of authorisation of the financial statements, the COVID-19 outbreak, situation is still evolving and uncertain. The Group and the Company will continue to actively monitor and manage their funds and operations to minimise any impact arising from the COVID-19 outbreak.

- (b) On 20 January 2021, the Company has announced to propose revision of the authority to issue shares as approved by the shareholders at the Eighteenth Annual General Meeting held on 29 July 2020 ("Proposed Revision of the Authority to Allot Shares").

On 5 February 2021, the Proposed Revision of the Authority to Allot Shares has been approved by the shareholders.

On 24 March 2021, the ordinary shares of the Company increased up to 1,856,249,934 by way of bonus issue, on the basis of three (3) bonus shares for each existing ordinary share held. The bonus shares will be issued at zero consideration and without capitalisation of the Company's reserves.

# ANALYSIS OF SHAREHOLDINGS

## AS AT 11 MAY 2021

- A.** Total Number of issued shares : 2,164,246,748  
 Class of Shares : Ordinary Shares  
 Voting Rights : On a poll – One vote for one ordinary share

**B. ANALYSIS OF SHAREHOLDINGS AS AT 11 MAY 2021**

Size of shareholdings	No. of shareholders	% of total shareholders	No. of shares	% of total number of issued shares
1 - 99	27	0.3272	552	0.000 <sup>^</sup>
100 – 1,000	377	4.5680	174,148	0.0080
1,001- 10,000	2,387	28.9228	15,082,800	0.6969
10,001 - 100,000	4,438	53.7744	168,643,048	7.7922
100,001 – 108,212,336*	1,020	12.3591	862,150,800	39.8360
108,212,337 and above**	4	0.0485	1,118,195,400	51.6667
<b>Total</b>	<b>8,253</b>	<b>100.0000</b>	<b>2,164,246,748</b>	<b>100.000</b>

REMARK : \* - Less than 5% of issued shares  
 : \*\* - 5% and above of issued shares  
 : ^ - negligible

**C. SUBSTANTIAL SHAREHOLDERS AS AT 11 MAY 2021**

Name	<-----Number of Shares Held----->			
	Direct	%	Deemed	%
Green Packet Berhad	307,320,900	14.1999	–	–
Green Packet Holdings Ltd	–	–	307,320,900 <sup>(a)</sup>	14.1999
Puan Chan Cheong	–	–	307,320,900 <sup>(b)</sup>	14.1999
Global Man Capital Sdn Bhd	528,674,800	24.4277	–	–
Datuk Wan Khalik bin Wan Muhammad	–	–	528,674,800 <sup>(c)</sup>	24.4277
Datuk Haji Khan bin Mohd Akram Khan	–	–	528,674,800 <sup>(c)</sup>	24.4277
Greenfield Hills Sdn Bhd	342,199,700	15.8115	–	–
Muhammad Qhailiz Norman Bin Aminul Islam	–	–	342,199,700 <sup>(d)</sup>	15.8115

Notes:-

- (a) Deemed interested by virtue of its shareholdings in Green Packet Berhad pursuant to Section 8 of the Companies Act 2016.  
 (b) Deemed interested by virtue of his shareholdings in Green Packet Berhad pursuant to Section 8 of the Companies Act 2016.  
 (c) Deemed interested by virtue of their shareholdings in Global Man Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.  
 (d) Deemed interested by virtue of his shareholdings in Greenfield Hills Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

# ANALYSIS OF SHAREHOLDINGS

## AS AT 11 MAY 2021 (CONT'D)

### D. DIRECTORS' SHAREHOLDINGS AS AT 11 MAY 2021

Name	<-----Number of Shares Held----->			
	Direct	%	Deemed	%
Datuk Wan Khalik Bin Wan Muhammad	–	–	528,674,800 <sup>(a)</sup>	24.4277
Dirk Johann Quinten	–	–	–	–
Datuk Haji Khan Bin Mohd Akram Khan	–	–	528,674,800 <sup>(a)</sup>	24.4277
Dr Tee Kim Siong	–	–	–	–
Ahmad Rizan Bin Ibrahim	–	–	–	–
Puan Chan Cheong	–	–	307,320,900 <sup>(b)</sup>	14.1999
Yong Kim Fui	–	–	–	–
Salihin Bin Abang	–	–	–	–
Lai Chin Tak	–	–	–	–

Note:-

- (a) Deemed interested by virtue of their shareholdings in Global Man Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (b) Deemed interested by virtue of his shareholdings in Green Packet Berhad pursuant to Section 8 of the Companies Act 2016.



# ANALYSIS OF SHAREHOLDINGS

## AS AT 11 MAY 2021 (CONT'D)

### LIST OF TOP 30 SHAREHOLDERS AS AT 11 MAY 2021

NO	SHAREHOLDER	SHARES	%
1	GREEN PACKET BERHAD	307,320,900	14.1999
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GLOBAL MAN CAPITAL SDN BHD	286,356,000	13.2312
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREENFIELD HILLS SDN BHD	282,199,700	13.0392
4	GLOBAL MAN CAPITAL SDN BHD	242,318,800	11.1964
5	DREAM LIFE TRAVELS SDN BHD	84,715,200	3.9143
6	STERLING AMBIENCE SDN BHD	84,000,000	3.8813
7	DATABLISS SDN BHD	71,304,800	3.2947
8	MIED CAPITAL SDN BHD	70,000,000	3.2344
9	MEDINIS SDN BHD	60,770,000	2.8079
10	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREENFIELD HILLS SDN BHD (THIRD PARTY)	60,000,000	2.7723
11	INSTACLOUD SDN BHD	39,669,200	1.8329
12	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EVEREGION SDN BHD	20,000,000	0.9241
13	TAN SIM HOE	15,380,000	0.7106
14	BYTECLOUD SDN BHD	9,882,800	0.4566
15	AKARO SDN BHD	5,630,000	0.2601
16	WONG CHONG WUI	4,291,000	0.1983
17	TAN MAO LING	3,746,500	0.1731
18	TEO YONG SWEE	3,600,000	0.1663
19	TAY HOCK SOON	3,440,200	0.1590
20	LIM CHIN HUAT	3,200,000	0.1479
21	GAN LAM SEONG	2,921,200	0.1350
22	WONG CHUM HING	2,600,000	0.1201
23	ANG SWEE KIM	2,544,000	0.1175
24	NG AH BAH @ NG SEE KAI	2,520,000	0.1164
25	TAN KIA LONG	2,230,000	0.1030
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MUTHUKUMAR A/L AYARPADDE (PW-M00144) (550548)	2,200,000	0.1017
27	ABDUL JABER BIN ABDUL HAFIZ	2,000,000	0.0924
28	SELVARAJAN A/L MARUTHAMUTHU	2,000,000	0.0924
29	YONG KHAI WENG	1,950,000	0.0901
30	MD HUMAYUN KABIR ALHAJ HAKIM	1,900,000	0.0878
<b>TOTAL</b>		<b>1,680,690,300</b>	<b>77.6570</b>

# ANALYSIS OF WARRANT HOLDINGS

AS AT 11 MAY 2021

## A. WARRANTS 2017/2022

Total Number of Warrant Issued :	658,024,826 ^^
Outstanding :	310,753,164
Class of Security :	Warrants 2017/2022
Voting Rights :	The holders of the Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new G3 Global Berhad ordinary shares

^^ The total number of warrants issued comprises of 206,249,978 warrants issued pursuant to the Deed Poll dated 22 August 2017 and the 451,774,848 additional warrants issued arising from the Bonus Issue approved by the shareholders at the Extraordinary General Meeting 1 held on 5 February 2021.

## B. ANALYSIS OF WARRANT HOLDINGS

Size of Warrants holdings	No. of Warrants holders	%	No. of Warrants	%
1 – 99	13	11.3043	368	0.0001
100 – 1,000	27	23.4783	7,212	0.0023
1,001- 10,000	29	25.2174	169,288	0.0545
10,001 - 100,000	37	32.1739	1,365,696	0.4395
100,001 – 15,537,657*	8	6.9565	3,960,600	1.2745
15,537,658 and above **	1	0.8696	305,250,000	98.2291
<b>Total</b>	<b>115</b>	<b>100.0000</b>	<b>310,753,164</b>	<b>100.000</b>

REMARK : \* - Less than 5% of issued Warrants  
: \*\* - 5% and above of issued Warrants  
: ^ - negligible

## C. DIRECTORS' WARRANT HOLDINGS

Name	<-----Number of Warrants Held----->			
	Direct	%	Deemed	%
Datuk Wan Khalik Bin Wan Muhammad	–	–	–	–
Dirk Johann Quinten	–	–	–	–
Datuk Haji Khan Bin Mohd Akram Khan	–	–	–	–
Dr Tee Kim Siong	–	–	–	–
Ahmad Rizan Bin Ibrahim	–	–	–	–
Puan Chan Cheong	–	–	305,250,000 <sup>(a)</sup>	98.2291
Yong Kim Fui	–	–	–	–
Salihin Bin Abang	–	–	–	–
Lai Chin Tak	–	–	–	–

Note:-

(a) Deemed interested by virtue of his shareholdings in Green Packet Berhad pursuant to Section 8 of the Companies Act 2016.

# ANALYSIS OF WARRANT HOLDINGS

## AS AT 11 MAY 2021 (CONT'D)

### LIST OF TOP 30 WARRANTS HOLDERS AS AT 11 MAY 2021

NO	WARRANTS HOLDERS	WARRANTS	%
1	GREEN PACKET BERHAD	305,250,000	98.2291
2	GAN LAM SEONG	2,054,000	0.6610
3	NGAN CHAI NENG	570,000	0.1834
4	NGAN NAM CHANG	432,000	0.1390
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI KIM CHUAN	270,000	0.0869
6	CHEE CHE TING	186,000	0.0599
7	CHOOI HOONG KAM @ CHEE HONG HIM	180,000	0.0579
8	GOH CHUAN KIONG	160,000	0.0515
9	LEE ZI CHOW	108,600	0.0349
10	LEE LEA KUA	85,500	0.0275
11	LOW SIN HO	80,000	0.0257
12	NG KIN TONG	77,400	0.0249
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FANG HANG TEIK (E-BMM)	61,800	0.0199
14	AW GOH BEE	60,000	0.0193
15	KANG HWA CHONG	60,000	0.0193
16	LEW TEK KEN	60,000	0.0193
17	LOH TECK WEI	60,000	0.0193
18	NORA BINTI ZAINAL	60,000	0.0193
19	TAN BOON WOOL	60,000	0.0193
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE BEE SENG	52,000	0.0167
21	SIA YEE YU	50,400	0.0162
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SOW PENG (E-KPG)	45,000	0.0145
23	THERESA TEO PEAK YIAN	37,500	0.0121
24	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHUAN CHONG (JB)	35,600	0.0115
25	LIM SIEW HONG	32,000	0.0103
26	GOH ENG HONG	30,900	0.0099
27	THEVANAIGAM SUKUMARI CHITTY	30,400	0.0098
28	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUI TAI WAI	30,000	0.0097
29	MEK SOM BINTI BULAT	30,000	0.0097
30	TEOH WENG SENG	30,000	0.0097
<b>TOTAL</b>		<b>310,279,100</b>	<b>99.8474</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be conducted fully virtual at the Broadcast Venue at L2-17 & L2-18, Level 2, Gamuda Walk, Persiaran Anggerik Vanilla, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor on Friday, 25 June 2021, at 3.00 p.m. for the purpose of considering the following businesses:

## AGENDA

### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. *[Please refer to Explanatory Note 1]*
2. To approve the payment of Directors' fees and benefits for the Non-Executive Directors of the Company amounting to RM260,000 for the financial year ending 31 December 2021. **Ordinary Resolution 1**
3. To re-elect Datuk Wan Khalik Bin Wan Muhammad who is retiring pursuant to Clause 95 of the Company's Constitution. **Ordinary Resolution 2**
4. To re-elect Mr. Lai Chin Tak who is retiring pursuant to Clause 95 of the Company's Constitution. **Ordinary Resolution 3**
5. To re-elect Mr. Puan Chan Cheong who is retiring pursuant to Clause 95 of the Company's Constitution. **Ordinary Resolution 4**
6. To re-elect Dr. Tee Kim Siong who is retiring pursuant to Clause 102 of the Company's Constitution. **Ordinary Resolution 5**
7. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

### AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications the following resolutions:-

#### 8. **ORDINARY RESOLUTION RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE SHARES**

"THAT, subject always to the Companies Act, 2016 (the "Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, approval be and is hereby given to the Directors of the Company pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being ("20% General Mandate"), and such 20% General Mandate shall continue to be in force until 31 December 2021 as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to accord additional temporary relief measures to listed issuers, thereafter, the aggregate number of shares issued pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("10% General Mandate") and such 10% General Mandate shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

THAT the Directors of the Company be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approvals hereof.

AND THAT the Directors of the Company are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities."

**Ordinary Resolution 7**

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 9. ORDINARY RESOLUTION PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies ("**Group**") to enter into and give effect to the existing recurrent related parties transactions of a revenue or trading nature from time to time with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 27 May 2021 ("**Related Parties**") provided that such transactions are:

- (a) necessary for the day-to-day operations;
- (b) carried out in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) is revoked or varied by resolution passed by the shareholders of the Company in a general meeting before the next AGM,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

**Ordinary Resolution 8**

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

10. To transact any other business of which due notices shall have been given.

By Order of the Board,

**WONG YOUN KIM**

SSM PRACTISING CERTIFICATE NO. 201908000410

(MAICSA 7018778)

Company Secretary

Kuala Lumpur

27 May 2021

**Notes:**

1. A member of a company entitled to attend and vote at a meeting of a company, shall be entitled to appoint any person as his/her proxy to attend and vote instead of the members at the meeting. There shall be no restriction as to the qualification of the proxy.
2. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting. A member shall not appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two proxies, to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
4. The Form of Proxy must be duly completed and deposited with the Company's Share Registrar at Agriteum Share Registration Services Sdn Bhd, 2nd Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Penang at least twenty four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
5. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The resolutions as set out in the Notice of Annual General Meeting are to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to make available a Record of Depositors ("ROD") as at 17 June 2021. Only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and/or speak and/or vote in his/her behalf.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## Explanatory Note on Ordinary Business:

### 1. *Item 1 of the Agenda 1 – Audited Financial Statements for the financial year ended 31 December 2020.*

The Audited Financial Statements are laid pursuant to section 340(1)(a) of the Companies Act 2016 for discussion only, shareholders' approval for the Audited Financial Statements is not required. Therefore, this Agenda item will not be put forward for voting.

### 2. *Ordinary Resolution 1 - Payment of Directors' fees and benefits for the financial year ending 31 December 2021*

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for 2021 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

### 3. *Ordinary Resolutions 2, 3 and 4 – Re-election of Directors pursuant to Clause 95 of the Company's Constitution*

Clause 95 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) 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 (1/3) shall retire and be eligible for re-election provided that each Director must retire from office at least once in every three (3) years.

The profiles of Datuk Wan Khalik Bin Wan Muhammad, Mr. Lai Chin Tak and Mr. Puan Chan Cheong, who stand for re-election at this AGM, and their interest in the securities of the Company are set out on pages 7 and 9 of the Annual Report.

### 4. *Ordinary Resolution 5 – Re-election of Director pursuant to Clause 102 of the Company's Constitution*

Clause 102 of the Company's Constitution provides that a newly appointed Director shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM.

The profile of Dr. Tee Kim Siong, who was appointed as Director of the Company on 12 October 2020, who stand for re-election at this AGM, and his interest in the securities of the Company are set out on page 10 of the Annual Report.

## Explanatory Notes on Special Business:

### 5. *Ordinary Resolution 7 – Renewal of Authority for Directors to issue shares*

The proposed Ordinary Resolution 7, if passed, primarily to renew the general mandate which was given to the Board of Directors of the Company at the Extraordinary General Meeting 2 ("EGM 2") held on 5 February 2021 to issue and allot shares in the Company up to an amount not exceeding twenty percent (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for the purpose of funding impending and future investment projects, working capital and/or acquisition, repayment of bank borrowings or strategic opportunities involving equity deals in a more flexible and expedient manner ("the previous mandate"). The previous mandate will lapse at the conclusion of this AGM. As at the date of Notice of this AGM, no shares have been issued pursuant to the previous general mandate granted by shareholders at the EGM 2 of the Company.

The Board of Directors wishes to seek the shareholders' approval for a renewal of the previous mandate at this AGM to provide flexibility to the Company in its capital raising exercises including but not limited to further placement of shares for purpose of funding the Company's expansion plans, the current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions without having to convene separate general meetings. The Board of Directors is of the view that the general mandates in particular the 20% General Mandate are in the best interest of the Company and its shareholder as it enable the Company to raise more capital to meet its funding requirements. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 6. Ordinary Resolution 8 - Proposed Renewal of Shareholders' Mandate

The proposed Resolution 8, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 27 May 2021 which is available on the Company's corporate website at [www.g3global.com.my](http://www.g3global.com.my).

### PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

### DIGITAL COPY OF ANNUAL REPORT 2020 AND CIRCULAR

Please be informed that the digital copy of the Annual Report 2020 and Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Circular") of G3 Global Berhad are now available for viewing / downloading from the Company's corporate website at [www.g3global.com.my](http://www.g3global.com.my) or you may scan the QR code below for the documents.



Shareholders may request for copies of the printed Annual Report 2020 and / or printed Circular at the Share Registrar's website, [www.agriteum.com.my](http://www.agriteum.com.my), "Request Annual Report / Circular", key in "G3 GLOBAL BERHAD", complete and submit the online request form, or contact Ms. Mageesh at telephone 03-5885 8578 or e-mail your request to [contact@g3global.com.my](mailto:contact@g3global.com.my). The printed copy of the Annual Report 2020 and /or printed Circular will be sent to you as soon as reasonably practicable after the receipt of your request.

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this Notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed ordinary resolution 7 as stated in the Notice of Annual General Meeting of the Company for details.



## FORM OF PROXY

### G3 GLOBAL BERHAD

Registration No. 200201002733 (570396-D)  
(Incorporated in Malaysia)

### Nineteenth (19<sup>TH</sup>) Annual General Meeting

CDS Account No.
No. of shares held

\*I/We \_\_\_\_\_ Tel: \_\_\_\_\_  
(Full name in block, NRIC/Passport/Company No.)  
of \_\_\_\_\_

\_\_\_\_\_ (Full address, telephone no. and e-mail address)  
being member(s) of G3 Global Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address, telephone no. and e-mail address			

\*and / or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address, telephone no. and e-mail address			

or failing him, the Chairperson of the Meeting, as \*my/our proxy/proxies to vote for \*me/us and on \*my/our behalf at the Nineteenth (19<sup>th</sup>) Annual General Meeting of the Company which is to be conducted fully virtual at the Broadcast Venue at L2-17 & L2-18, Level 2, Gamuda Walk, Persiaran Anggerik Vanilla, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor on Friday, 25 June 2021 at 3.00 p.m. or or at any adjournment thereof and to vote as indicated below:-

Ordinary Resolutions		For	Against
1.	Approval of the payment of Directors' fees and benefits for the Non-Executive Directors for the financial year ending 31 December 2021.		
2.	Re-election of Datuk Wan Khalik Bin Wan Muhammad as Director		
3.	Re-election of Mr. Lai Chin Tak as Director		
4.	Re-election of Mr. Puan Chan Cheong as Director		
5.	Re-election of Dr. Tee Kim Siong as Director		
6.	Re-appointment of Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.		
7.	Renewal of Authority for Directors to Issue Shares		
8.	Proposed Renewal Of Shareholders' Mandate for Recurrent Related Party Transactions		

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
Signature/Common Seal of Member^

\* Delete whichever is inapplicable

^ 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. A member of a company entitled to attend and vote at a meeting of a company, shall be entitled to appoint any person as his/her proxy to attend and vote instead of the members at the meeting. There shall be no restriction as to the qualification of the proxy.
2. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting. A member shall not appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two proxies, to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
4. The Form of Proxy must be duly completed and deposited with the Company's Share Registrar at Agriteum Share Registration Services Sdn Bhd, 2<sup>nd</sup> Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Penang at least twenty four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
5. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The resolutions as set out in the Notice of Annual General Meeting are to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to make available a Record of Depositors ("ROD") as at 17 June 2021. Only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and/or speak and/or vote in his/her behalf.

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

**THE SHARE REGISTRAR OF  
G3 GLOBAL BERHAD  
Registration No. 200201002733 (570396-D)  
AGRITEUM SHARE REGISTRATION SERVICES SDN BHD**  
2nd Floor, Wisma Penang Garden  
42, Jalan Sultan Ahmad Shah  
10050 Georgetown, Penang

1st fold here



AR  
2 0 2 0

**G3 GLOBAL BERHAD**

Company No. 200201002733 (570396-D)

L2-17 & L2-18, Level 2, Gamuda Walk, Persiaran Anggerik Vanilla,  
Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor, MALAYSIA

Tel: +603 – 5885 8578 Fax: +603 – 5885 8579

[www.g3global.com.my](http://www.g3global.com.my)