G3 Global

G3 GLOBAL BERHAD

Company No. 200201002733 (570396-D)

ANNUAL REPORT 2022

CONTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Alias Bin Ahmad
Independent Non-Executive Director and Chairman

Dato' Sri Aminul Islam Bin Abdul Nor
Executive Director

Mr. Dirk Johann Quinten
Managing Director

Mr. Kunal Tayal
Non-Independent Non-Executive Director

Dr. Salihin Bin Abang
Independent Non-Executive Director

AUDIT COMMITTEE

Dr. Salihin Bin Abang
(Chairman)
Dato' Sri Alias Bin Ahmad
Mr. Kunal Tayal

RISK MANAGEMENT COMMITTEE

Mr. Kunal Tayal
(Chairman)
Dato' Sri Alias Bin Ahmad
Dr. Salihin Bin Abang

REMUNERATION COMMITTEE

Dato' Sri Alias Bin Ahmad
(Chairman)
Mr. Kunal Tayal
Dr. Salihin Bin Abang

NOMINATING COMMITTEE

Dato' Sri Alias Bin Ahmad
(Chairman)
Mr. Kunal Tayal
Dr. Salihin Bin Abang

COMPANY SECRETARY

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

REGISTERED OFFICE

Level 5, Tower 8
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : +603 2280 6388
Fax : +603 2280 6399

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

SHARE REGISTRAR

Agriteum Share Registration Services Sdn Bhd
(Registration No. 200201010810 (578473-T))
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 George Town
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

SOLICITORS

Shook Lin & Bok

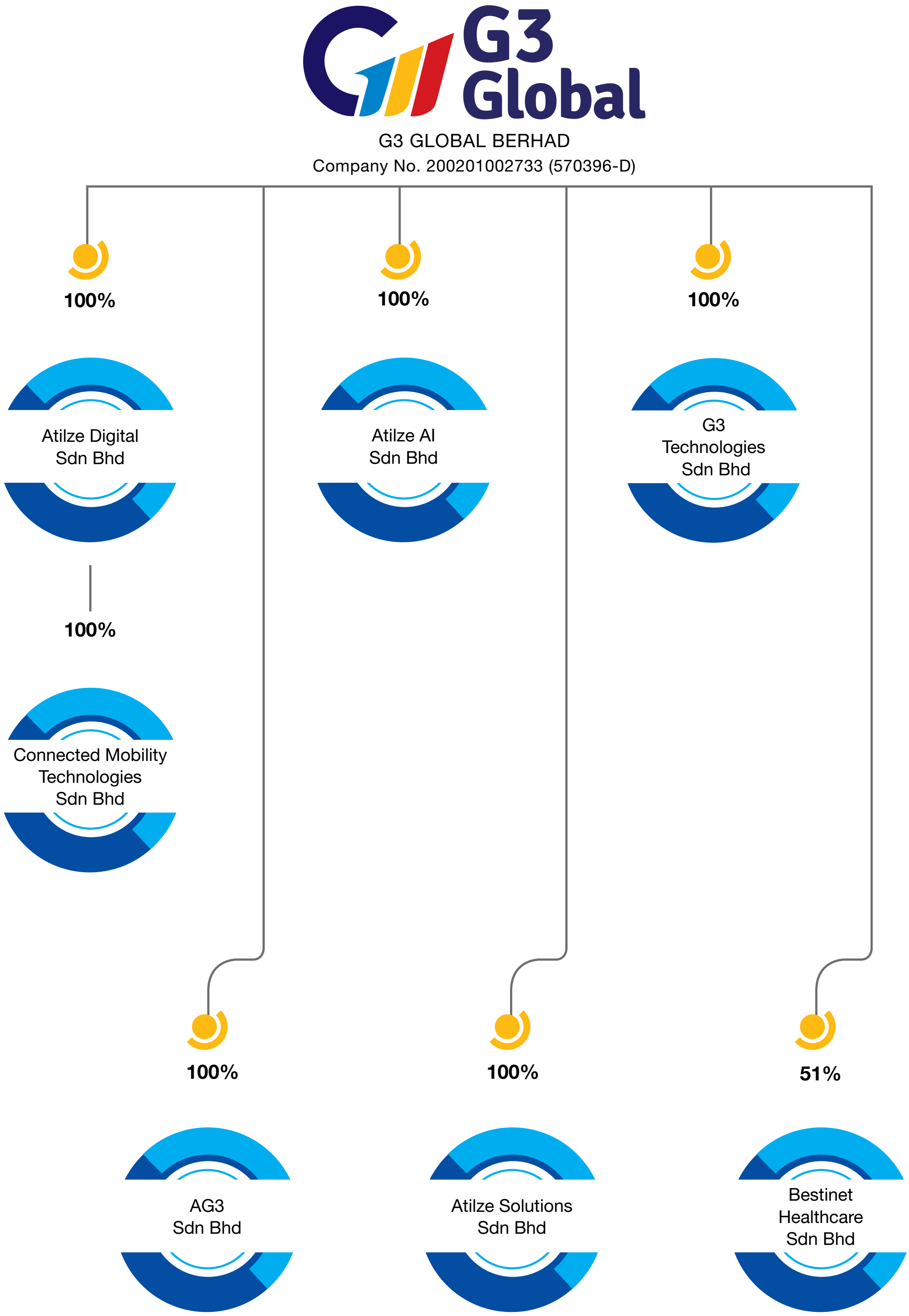
PRINCIPAL BANKERS

Hong Leong Islamic Bank Berhad
Alliance Bank Malaysia Berhad
Maybank Islamic Berhad

STOCK EXCHANGE LISTING

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

GROUP STRUCTURE



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of G3 Global Berhad ("G3 Global or the Group"), it is my pleasure to present to you as Chairman, the Annual Report for the Financial Year Ended 31 December 2022 ("FY2022").

Dato' Sri Alias Bin Ahmad
Independent Chairman

CHAIRMAN'S STATEMENT (CONT'D)

It has been a year filled with exciting developments for the Group amid the backdrop of the outgoing COVID-19 pandemic, whose ebb and flow continued to impact the health and economy of the world, with implications for every country, from supply chain disruptions to overwhelmed healthcare systems, albeit to a much lesser extent than in 2021.

At G3 Global, recognising how the pandemic had created certain trends that ended again with the pandemic transitioning to endemic state, we have focused our efforts on transforming the Group to ensure business sustainability and continuity. Our activities in the Healthcare sector tapered down while ICT business became our main focus again, most notable with the award of the prestigious AIS3 Project for KLIA and KLIA2.

We will continue to leverage the Group's expertise and experience in Artificial Intelligence to combine with System Integrator and Project Management capabilities to seek opportunities in technology projects. We will also work closely with key stakeholders to explore future opportunities in the Healthcare sector, such as medical support services and AI supported screening technologies.

BOARD MEMBERS

The year 2022 saw no changes to the Group's Board of Directors. However, for 2023 the Group is planning to increase the Board ratio of independent directors as well as to introduce gender diversification.

ACKNOWLEDGEMENTS

In closing, I would like to take the opportunity to thank the entire G3 Global team for their hard work and dedication for what has been another challenging year. The continued support of the team has been critical in ensuring that the Group remained sustainable and that its businesses continued.

The Board would also like to extend our gratitude to business partners, shareholders and customers who have supported the Group. Their continued support is invaluable as the Group continues on its transformation journey. The Board is looking forward to expand the business network in Malaysia and further grow the business of the Group.

Dato' Sri Alias Bin Ahmad
Chairman

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

G3 Global Berhad and its subsidiaries ("G3 Group") achieved 2 major milestones in Financial Year ("FY") 2022 which contributed and will contribute positively to G3 Group's overall financial results.

The first milestone is the completion of supplying 2 million COVID-19 Test Kits to a government agency with a value of RM32 million. The project leveraged mainly on G3 Group's ICT expertise in developing an end-to-end COVID-19 Test Kits distribution solution and supply. The completion has contributed positively to G3 Group's overall revenue in FY2022.

The second milestone would be securing of RM118 million project to design, supply, install, testing and commissioning for the Airport Integrated Security and Safety System ("AIS3") at KLIA and KLIA2. G3 Global will leverage its Artificial Intelligence ("AI") capabilities and deep industry knowledge to develop and install a state-of-the-art integrated platform that includes enhancing existing systems to improve the overall safety and security management capabilities.

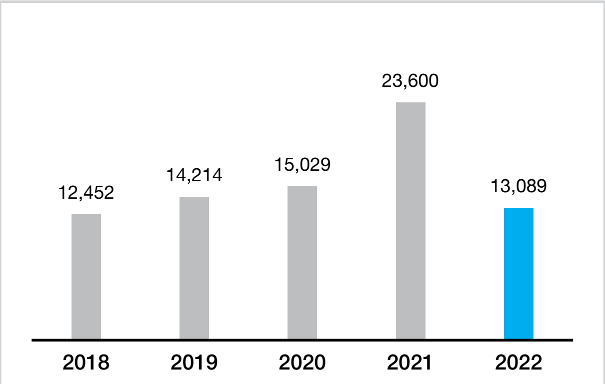
The AIS3 Project is still ongoing and target to complete in Q2 2024. G3 Group expect the AIS3 Project to contribute positively to G3 Group's overall revenue.

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

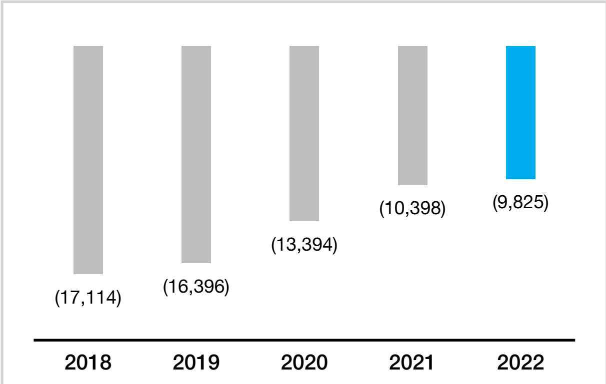
5-YEAR GROUP FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2022
A. OPERATING RESULTS (RM'000)					
Revenue - ICT	12,452	14,214	15,029	2,162	1,892
Revenue – Healthcare	-	-	-	21,438	11,197
Loss after tax	(17,114)	(16,396)	(13,394)	(10,398)	(9,825)
B. KEY STATEMENTS OF FINANCIAL POSITION (RM'000)					
Total Assets	59,479	46,210	28,936	29,352	48,241
Total Liabilities	8,790	6,368	2,475	5,832	7,741
Shareholders' Funds	50,649	39,806	26,431	22,564	40,612
C. SHARE INFORMATION					
Basic loss per share (sen)	(4.15)	(3.90)	(0.65)	(0.53)	(0.34)
Net assets per share (sen)	0.12	0.09	0.06	0.01	0.01

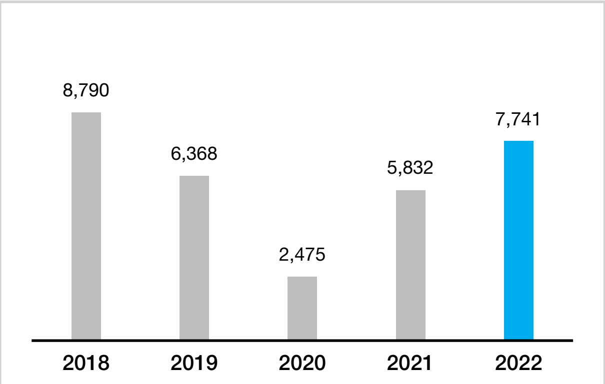
REVENUE



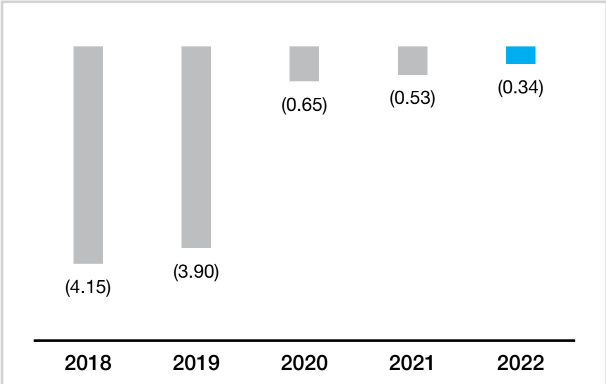
LOSS AFTER TAX



TOTAL LIABILITIES



BASIC LOSS PER SHARE



CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

FINANCIAL PERFORMANCE

The overall performance for the FY2022 is driven by G3 Global's Healthcare Division with a revenue of RM11.2 million through its COVID-19 self-test kit followed by ICT with a revenue of RM1.9 million. As Malaysia reached endemic stage from 1 April 2022 onwards, the expected demand for COVID-19 self-test kit is gradually easing. This is seen with the overall revenue for G3 Group decreased from RM21 million in FY2021 to RM11 million in FY2022 as the demand for COVID-19 Test Kits reduced.

In May 2022 G3 Global's ICT Division secured a RM118 million project to design, develop and build the Airport Integrated Security and Safety System ("AIS3") for Malaysia's two busiest airports - Kuala Lumpur International Airport ("KLIA") and KLIA2. The project is expected to contribute positively to G3 Global revenue for FY2023.

G3 Global currently does not have any immediate plan for its Healthcare Business. Therefore, G3 Global will focus on executing its current ICT project and tendering for more projects for its ICT business to replenish its current order book while identifying potential business opportunities for the Healthcare Division.

The overall loss after tax has improved from RM10.4 million in FY2021 to RM9.8 million in FY2022 by RM0.6 million or 6%. The improvement is attributable to G3 Global's continuous initiative to maintain a lean cost structure but offset by inability to collect from advances to subcontractors under Healthcare Division and old outstanding trade receivables under ICT Division amounting to RM6.3 million. Initiatives have been taken to recover the outstanding balances from the said trade receivables through discussion and restructuring of debt repayment.

The improvement of losses from FY2021 to current FY2022 has contributed to an improvement to basic loss per share from 0.53 sen to 0.34 sen.

With the implementation of RM118 million AIS3 project, G3 Global expects the AIS3 Project will contribute positively to the overall revenue of G3 Global in FY2023.

SEGMENTAL OUTLOOK

ICT Division

The ICT services industry is estimated to record a value of RM103.9 billion in 2022 and is forecasted to expand at a compound annual growth rate ("CAGR") of 7.2% from RM103.9 billion in 2022 to RM146.85 billion in 2027.

Enterprise IT services generally refers to a combination of IT consulting services, and the provision of hardware, software, strategy, and support services. The Malaysian Enterprise IT services industry is in the growth stage of the industry life cycle. The industry is estimated to be valued at RM21.2 billion in 2022, an increase of 5.8% from RM20.0 billion in 2021 in light of continued demand for digital services that gained traction after the onset of the COVID-19 pandemic. The industry is expected to continue growing and is estimated to grow at a CAGR of 5.1% from RM21.2 billion in 2022 to RM27.1 billion in 2027.

The Enterprise IT services industry is also expected to expand due to the growth of technologies such as the IoT, AI, and cloud computing. AI refers to leveraging computer science and robust datasets to mimic the problem-solving and decision-making capabilities of a human. AI can also be used in computer vision where the AI technology enables computers and systems to observe digital images, videos, and other visual inputs, derive meaningful information from said inputs, and then take action either on its own or alert a human agent to do so. In security and surveillance systems, AI is used to analyse visual data and other sensors to detect suspicious activity and identify potential threats. For example, AI can be used to identify individuals, detect objects such as weapons and other prohibited items, as well as track movement of people and objects. In addition to visual data, AI can be used to analyse other forms of data, enabling it to observe patterns and identifying potential breaches or vulnerabilities in various systems. Furthermore, AI-enabled cameras and surveillance systems can be integrated with other types of security systems including access control and alarm systems, thus providing a more extensive security solution.

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

SEGMENTAL OUTLOOK (CONT'D)

ICT Division (Cont'd)

The growing demand for IoT, AI, and cloud computing is expected to auger well for the Enterprise IT services industry moving forward. In addition, the Enterprise IT services industry is likely to benefit from a high broadband penetration rate in Malaysia. In the third quarter of 2022, the mobile-broadband penetration rate per 100 inhabitants stood at 128.9% (second quarter 2022: 127.9%). A mobile-broadband penetration rate of over 100% can occur due to multiple subscriptions. Save for Putrajaya and Labuan, all other states in Malaysia registered a mobile-broadband penetration rate of above 100%. Meanwhile, the fixed-broadband penetration rate per 100 inhabitants stood at 46.4% (second quarter 2022: 45.3%). The implementation of the Jalinan Digital Negara (JENDELA) plan, which is a plan to provide wider coverage and better quality of broadband experience for the nation whilst preparing the country for 5G technology is expected to drive the usage of broadband in the future, which would in turn drive the growth of the Enterprise IT services industry.

The Malaysian Enterprise IT services industry is projected to reach RM27.1 billion in 2027, registering a CAGR of 5.1% for the forecast period.

(Source: IMR report by Protégé)

In view of growth in ICT sector, G3 Global will continue to pursue in growing its presence in Malaysia especially as one of the leading AI solutions providers. The ICT division under G3 Global is expected to contribute positively to overall revenue of G3 Global.

Healthcare Division

In the past few years, the healthcare industry in Malaysia had been focused on the COVID-19 pandemic and the efforts to diagnose and treat patients with the disease. The Malaysian Government initially imposed strict lockdown measures whereby people were required to stay at home and non-essential businesses were required to temporarily suspend operations. While this helped to control the spread of the virus, the country's economy began to suffer.

Malaysia then moved away from the zero-COVID strategy and adopted the strategy of living with COVID-19 in order to boost the country's economic recovery. The need for COVID-19 testing became even more important to ensure that the spread of the virus is kept under control. This led to the proliferation in usage of COVID-19 rapid antigen self-test kits in 2021. Since then, the COVID-19 situation in Malaysia has eased and the Malaysian Government had declared on 1 April 2022 that it was entering the "transition to endemic" phase of COVID-19. Due to the high vaccination rate and uptake of booster shots resulting in higher immunity among the population in Malaysia, the usage of COVID-19 rapid antigen self-test kits have declined from the peak of 4.4 million tests used in February 2022 to 0.4 million tests used in February 2023.

The Malaysian healthcare industry is also expected to be grow via direct support from the Malaysian Government. The Malaysian Government recognises the significance of the healthcare sector in promoting the overall wellbeing of the public and as a result, they have made efforts to enhance the local healthcare industry. In Budget 2023, the Ministry of Health has been allocated RM36.14 billion, an increase of approximately 11.5% from the RM32.41 billion allocated in the previous year's budget. Funding has been allocated for the purchase of medicines, reagents, vaccines, medical disposable products, and other related items; repair and maintenance of existing healthcare facilities; replacement of outdated equipment; and establishment of new healthcare facilities.

The healthcare industry in Malaysia is expected to continue to grow during the forecast period from 2023 to 2027, driven by demand from the population as well as support from the Government. The Malaysian healthcare industry (in terms of total healthcare expenditure) is projected to increase from RM85.26 billion in 2023 to RM128.55 billion in 2027, registering a CAGR of 8.6% for the forecast period.

(Source: IMR report by Protégé)

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

SEGMENTAL OUTLOOK (CONT'D)

Healthcare Division (Cont'd)

While G3 Global's Healthcare Division has contributed positively in FY2022 through its end-to-end COVID-19 Test Kits distribution solution and supply, the easing in demand for COVID-19 Test Kits has impacted to the overall performance of G3 Global's Healthcare Division in FY2023.

RISK MANAGEMENT

As of Q4,2022, the Group has no borrowings or debt securities except bank guarantee of RM11.8 million issued for the AIS3 Project as performance bond and have no outstanding capital commitments.

The completion of AIS3 Project would represent a strong reference for G3 Global to expand its capabilities in AI for Airport Security to the other airports locally and regionally. G3 Global's senior management plays an active role to ensure the success of AIS3 Project with competent vendors selected to ensure completed works are of the quality desired by the client.

In addition to executing the AIS3 Project successfully, G3 Global is raising additional funds through its private placement of up to 870,826,000 ordinary shares, representing 30% of total issued shares in G3 Global, to ensure sufficient funds are available to complete the AIS3 Project.

G3 Global also strives to improve current revenue through securing potential ICT projects which are currently at discussion stage.

On 25 April 2022, the Memorandum Of Understanding ("MOU") between G3 Global, SenseTime Group Ltd and China Harbour Engineering Company Ltd ("the Parties") has expired. Despite the expiry of the MOU, the Parties remain keen to work together on large-scale AI and IT projects that are sustainable over the longer term.

DIVIDEND POLICY

The Board has not adopted any fixed dividend policy. The Board does not recommend payment of any dividend for FY2022.

OUTLOOK

The AIS3 Project is expected to contribute positively to G3 Global's revenue performance and also an important milestone achieved for G3 Global moving towards profitability. Completion of AIS3 Project will allow G3 Global to expand its AI offering to other airports within Malaysia as well as regionally. Thus, the G3 Global's Board of Directors placed priority and focus to ensure that AIS3 Project is completed.

Ensuring the AIS3 Project has sufficient resources to run smoothly, G3 Global has commenced on 17 January 2023, the variation exercise of utilising the proceeds raised from private placement completed on 27 June 2022 to be used for the AIS3 Project and raising additional funds through private placement up to 870,826,000 new ordinary shares in G3 Global, representing 39% of the total issued G3 Global shares.

As the demand for COVID-19 Test Kits is gradually easing, the Group currently does not have any immediate plan for its Healthcare Business. With the expected growth in the industry of Enterprise IT services at a CAGR of 5.1%, from RM21.2 billion in 2022 to RM27.1 billion in 2027, G3 Global targets to further grow its revenue base through expansion to other ICT businesses in replenishing its order book with the potential to supply electronic components such as bazzles, backlights and thin film transistor material for liquid crystal display screen.

The Board will continuously review the strategy and future business direction of the Group in order to remain competitive and improve the Group's financial performance.

DIRECTORS' PROFILE

Dato' Sri Alias Bin Ahmad

(Independent Non-Executive Director and Chairman)

Age 65
Malaysian
Male

Dato' Sri Alias Bin Ahmad is the Non-Executive Director and Chairman of the Company since 4 January 2022. Dato' Sri Alias is also the Chairman of the Nomination Committee and the Remuneration Committee, as well as a member of the Audit Committee and the Risk Management Committee.

Dato' Sri Alias graduated from Universiti Malaya with a Bachelor (Hons) of Arts and Social Sciences in 1981 and a Masters of Strategic and Defence Studies in 2001. He also holds various diplomas and certificates in public management, intelligence and security, emergency responses and advanced management and leadership from other institutions such as the University of Oxford, United Kingdom and Military College, Taipei, Taiwan.

Over the last 34 years between 1984 and 2018, Dato' Sri Alias has served the country and the Malaysian government in various capacities and departments which included the Ministry of Education ("MOE"), Prime Ministers Office, Ministry of Home Affairs ("MOHA"), State Security Department, Immigration Department, National Security Council ("NSC"), among others.

Some of the notable positions which he has held includes as Director General of the Department of Immigration, Malaysia from 2010 until 2014, Secretary General of Ministry of Domestic Trade and Consumer Affairs ("KPDNHEP") from 2014 until 2016, Secretary of NSC in 2016 before he retired as the Secretary General of the MOE in May 2018.

Besides that, he had held many directorships and council memberships in a number of private and public listed companies, board of government agencies, institutions, foundations and etc. He was a board member of Bank Rakyat Malaysia from 2015 until 2019, the Chairman of the Companies Commission of Malaysia from 2014 till 2016, and was also a Council Member of the Ministry of Science, Technology and Innovation from 2017 until 2018.

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

Dato' Sri Alias does not have any conflict of interest in any business arrangement involving the Company.

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

DIRECTORS' PROFILE
(CONT'D)

Dato' Sri Aminul Islam Bin Abdul Nor
(Executive Director)

Age 56
Malaysian
Male

Dato' Sri Aminul Islam Bin Abdul Nor was appointed as Executive Director of the Company on 26 November 2021.

He has a Bachelor of Arts degree in Business Management from the University of Chittagong, Bangladesh.

Dato' Sri Aminul Islam is the Founder and Group President of Bestinet Sdn. Bhd., a leading technology company which has been awarded with over 15 awards till date locally and internationally including its most prestigious award as 'The World's Best Digital Content Solutions' under the Government and Citizen Engagement category by The World Summit Award (WSA), a framework of the United Nations (UN) Sustainable Development Goals (UN SDG), in the year 2017, for its system called Foreign Workers Centralized Management System ("FWCMS"). FWCMS is a key tool which is being used by the Malaysian government to effectively manage, monitor and control all processes related to foreign workers management in the country and is integrated and used by all relevant stakeholders in Malaysia and labour sending countries.

He has more than 30 years of experience in managing service-oriented businesses and is firmly guided by the "Customer Is the Most Important" approach of doing business. With his vast experience as the Managing Director and Chief Executive Officer of several companies, Dato' Sri Aminul Islam is well-versed in project management, marketing, financial management, client retention, implementing policies, cost control and others.

Presently, Dato' Sri Aminul Islam does not hold any other directorship in any other public companies or public listed companies.

Save for Dato' Sri Aminul Islam 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.

Dato' Sri Aminul Islam does not hold any shares directly in the Company. However, he have deemed interest on 517,888,900 ordinary shares in the Company by virtue of his shareholdings in Dream Life Travels Sdn Bhd, Databliss Sdn Bhd and Instacloud Sdn Bhd pursuant to Section 8 of the Companies Act 2016; and through Greenfield Hills Sdn Bhd via his spouse and his son.

Dato' Sri Aminul Islam is the father of Encik Muhammad Qhailiz Norman Aminul Islam, who is a substantial shareholder of the Company.

DIRECTORS' PROFILE
(CONT'D)

Mr. Dirk Johann Quinten
(Managing Director)

Age 54
German
Male

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

He holds a Masters Degree in Electrical Engineering & Automation from the University of Applied Science, Trier, Germany and underwent the Senior Management Development Program from Harvard Business School, USA.

Born, raised and educated in Germany, Mr Dirk Quinten began his career in 1995 with a multinational material handling company as a project manager, where he was responsible for the commissioning of various turnkey projects around the globe, most notably in Jordan and Venezuela. In 2000, he came to Malaysia and shifted his focus towards large industrial projects and corporate management. He was Chief Operating Officer of Melewar Integrated Engineering Sdn. Bhd., a turnkey provider of industrial plants. After 11 years, he joined Gryphon Energy Group in 2014 as Chief Corporate Officer, where he spearheaded the offshore O&M, ISO accreditations and restructured the company to qualify for IPO in Europe. He was also Group Chief Executive Officer at Terra Technologies Sdn. Bhd. in 2016 and oversaw securing a stable market position and leading the Group's international expansion plans. At present, he is also the Chief Executive Officer & co-founder of Body For Life Sdn. Bhd., a provider for a wide range of health, fitness and nutrition-related services and courses in Malaysia, and an Executive Director at AGA Global Associate Holdings, a state-of-the-art Big Data solutions company.

He has worked with several companies including FLSmith, Conoco, Siemens, Alstom, TNB, SMS, Vale, Ferrostaal, Melewar and Pertamina, delivering complex projects, corporate turnarounds and capital market structures.

He is a conscious corporate manager and director with 28 years of experience in the fields of engineering, automation, industrial plants, O&G, infrastructure and IT for various size start-ups, multinationals and public-listed companies. His core competencies include change & transformation management, strategy & business development, and ethical business acumen as well as risk management. With his ability to engage teams and to merge various company departments into a cohesive organisation, he is driven to improve corporate governance and business structures in order to achieve stability and growth. He strongly believes in transparent and ethical business conduct.

He is a member of the Harvard Alumni Club as well as 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.

DIRECTORS' PROFILE
(CONT'D)

Mr Kunal Tayal
(Non-Independent Non-Executive Director)

Age 35
Indian
Male

Mr. Kunal Tayal was appointed as Non-Independent Non-Executive Director of G3 Global Berhad on 26 November 2021. He is the Chairman of the Risk Management Committee and is also a member of the Nomination Committee, the Remuneration Committee and the Audit Committee.

He received his Bachelor of Commerce from Delhi University, India, in 2009 and his MBA in Finance from Mahatma Gandhi University in 2011. He is a Chartered Accountant and has been a member of the Institute of Chartered Accountants of India since 2012. He is also a member of the Malaysian Institute of Accountants.

He is presently the Chief Financial Officer of Bestinet Sdn. Bhd. (Bestinet), based in Kuala Lumpur where he oversees the full spectrum of financial operations for the entire group and ensuring sound finance governance and statutory reporting.

Throughout his tenure with Bestinet since 2015 he is responsible in managing the company's financial planning, budgeting and forecasting, financials preparation and accounts finalisation in line with accounting standards. In addition to that, he is also tasked with developing commercial proposals and strategic plans to acquire as well as grow new businesses and leading due diligence activities for acquisition exercises, liabilities and investments analysis, and risk management.

Prior to that, Mr. Kunal Tayal served as an External Audit Senior with SR Batliboi & Co LLP (Ernst & Young) in Gurgaon, India where he led end-to-end statutory and internal audits, financial statement analysis as well as procedure reviews for large MNCs and many private limited companies across the pharmaceuticals, manufacturing, retail, healthcare as well as services industries.

Throughout his career, he has had the opportunity to work with companies across the manufacturing & retail, healthcare, services, BPO & KPO, logistics, travel & tourism, education, pharmaceuticals, NGO and banking sectors.

He is also one of the founders and committee member of the Malaysian Chapter of The Institute of Chartered Accountants of India (MICAI) and also currently, serves as the association's treasurer.

Presently, Mr. Kunal Tayal does not hold any other directorship in any other public companies or public listed companies.

Save for Mr. Kunal Tayal 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.

Mr. Kunal Tayal 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)

Dr Salihin Bin Abang
(Independent
Non-Executive Director)

Age 50
Malaysian
Male

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

Dr. Salihin obtained his Master of Science in Accounting and Bachelor of Accounting from International Islamic University Malaysia in 2008 and 1997 respectively and completed Harvard Business School Alumni Club of Malaysia's Senior Management Development Program (SMPD) in 2011. In addition to his academic achievements, he is also an Adjunct Professor at the Faculty of Business and Economy at Universiti Malaysia Sarawak (UNIMAS). He also contributes to academia as an industry advisor to universities covering bachelor, master and doctoral levels. He led the establishment of Teaching Accountancy Firm (TAF) in some local universities with UMT being the pioneer in an effort to further bridge the gap between theory and practice of accountancy. He was conferred the Honorary Doctorate Degree in Management by UMT during their 16th Convocation Ceremony on 11 November 2018. This is in recognition of his leadership and national and international contributions to both industry and academia in areas of audit, assurance, accounting, taxation and business advisory.

Dr Salihin is the Group Managing Partner of SALIHIN and a former president of the Malaysian Institute of Accountants (MIA), the sole regulatory body of the accounting profession in Malaysia. He founded SALIHIN and its group of independent professional services firms offering audit and assurance, taxation, Shariah advisory, corporate advisory and digital consulting services. Apart from managing SALIHIN, he also contributes his expertise in the governance and management of public listed and non-public listed companies, as well as government and state statutory bodies.

Dr. Salihin has over 20 years of experience in the corporate world, assuming Board and committee membership responsibilities in audit, risk, transformation, sustainability and corporate reporting. He is also the Vice President of the Malaysian Islamic Chamber of Commerce (DPIM).

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), an honorary member of the Institute of Cooperative and Management Auditors (ICMA) and a professional member of the Institute of Management Accountants (IMA, USA). He is also a Qualified Risk Director with The Institute of Enterprise Risk Practitioners (IERP).

Currently, Dr. Salihin also holds directorship in another public company, namely Wassiyah Shoppe Berhad and public listed companies, namely Bintulu Port Holdings Berhad, Boustead Heavy Industries Corporation Berhad and Boustead Plantations Berhad.

Save as disclosed above, Dr. 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.

Dr. 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.

DIRECTORS' PROFILE
(CONT'D)

Notes to Directors' Profiles:

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.

Board Meeting attendance in 2022:

The details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Overview Statement on page 35 of this Annual Report.

The composition of the Board of Directors complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad whereby one-third (1/3) of the Board are Independent Directors.

KEY SENIOR MANAGEMENT

Cheok Tuan Oon
(Chief Financial Officer)

Age 45
Malaysian
Male

Mr. Cheok Tuan Oon was appointed as Financial Controller on 1 August 2020 and was re-designated as Chief Financial Officer on 1 July 2021.

Mr. Cheok holds a Bachelor of Business in Accountancy degree from Royal Melbourne Institute of Technology University and is a member of Malaysia Institute of Accountants (MIA) since 24 January 2003. He specialises in Corporate Accounting and has accumulated at least 21 years of experience under his belt.

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

He had been with Eversendai Corporation Berhad as Deputy General Manager from 2014 till 2017 and handled project loan financing, review of projects profitability (Malaysia, India and Middle East) as well as quarter and annual regulatory reporting requirements. Thereafter, he joined Goodkredit Malaysia (Fortune Tree Capital Sdn Bhd) as Chief Executive Officer from 2017 till 2019.

He had been with AWC Berhad as Senior Manager, Group CEOs office for 2 years before he was engaged as Assistant General Manager in Stream Environment Sdn Bhd from 2009 till 2012 where he gained vast experience which included the setting up of operations in United Arab Emirates (UAE) and implement the largest Automated Waste Collection System Infrastructure under STREAM Environment Sdn Bhd valued at AED216mil for Abu Dhabis largest developer.

After returning from UAE, he spent approximately 3 years with Grab as Regional Head of Finance. He had been supporting Grab in the initial stage and securing the valuation of USD 80 million. He also had 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 them in various consultancy work with prominent clients from different industries. His 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

Introduction

G3 Global strives to be a leader in sustainable Artificial Intelligence ("AI") development, positioning as a socially responsible and environmentally conscious company. The Group is committed to making a real impact on the world through the solutions we offer, while also contributing to a more sustainable future for everyone.

Our Commitment to Business Sustainability

The Group is pleased to present this Sustainability Statement to provide stakeholders with an overview of our Economic, Environmental and Social ("EES") performance. This Sustainability Statement discusses relevant sustainability matters for the Group and discloses how they are being managed and what activities are being performed to address the sustainability concerns.

At G3 Global, we believe that sustainability efforts should not only project an image of compliance with the applicable standards but should also generate genuine value to our stakeholders. Our sustainability efforts are designed to create value for our stakeholders while also assisting the Company to achieve a positive EES performance.

Reporting Standards

This Sustainability Statement has been prepared in accordance with the best practice sustainability guidelines, standards and frameworks as follows:

- Practice Note 9 of the Main Market Listing Requirements
- Sustainability Reporting Guide, 2nd Edition ("SRG")
- Malaysia Code of Corporate Governance, Updated April 2021
- Global Reporting Initiative ("GRI"), 2021

As G3 Global is still recovering from the impact of COVID-19 pandemic, our focus remains on improving the business operation of the Group. We are currently working on disclosing the Statement according to Task Force on Climate-related Financial Disclosures ("TCFD") Framework, which is expected to be completed and disclosed next year. We are still improving the related information and data gathering. It is important to note that the TCFD Framework will become a mandatory reporting requirement by end of FY2025.

Reporting Scope

This Sustainability Statement covers the sustainability activities and performance of G3 Global and its subsidiaries based in Malaysia for the financial year from 1 January 2022 to 31 December 2022.

Feedback

We value your feedback on this Report and any matters described herein. Please feel free to send inquiries, comments, and suggestions regarding the content of this Report to us at contact@g3global.com.my.

SUSTAINABILITY STATEMENT
(CONT'D)

Sustainability Governance

The Group believes that having a strong sustainability governance and leadership structure is crucial to lead the sustainability agenda. The Group's governance structure is designed to support the integration of sustainability into the business operations and decision-making processes, thereby ensuring the commitment to creating value for stakeholders through sustainable practices is achievable.

Board of Directors

- Comprises of Non-Executive Directors, Executive Director, Managing Director and Non-Independent Non-Executive Director.
- Oversees the organisation's sustainability strategy and performance based on key sustainability pillars.
- Delegates the responsibility to the Senior Management to ensure implementation of sustainability strategies and initiatives.

Senior Management

- Create awareness on sustainability concepts and principles amongst internal stakeholders.
- Improve the Group's sustainability governance and performance.

Operational

- Implement sustainability programme by ensuring adequate resources are in place, data compilation, and report the Group's sustainability performance.

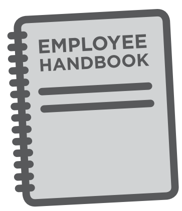
Policies and Procedures for Excellent Governance

The Group has implemented various policies to support sustainable business practices and embed them into daily operations. The policies listed below establish guidelines and standards to ensure that we uphold the highest ethical standards, govern the Group's business activities effectively and demonstrate the integrity of the Group's business. They are as follows:

Anti-Bribery and Anti-Corruption Policy


Whistleblowing Policy


Code of Conduct



Employee Handbook


Health and Safety Policy

SUSTAINABILITY STATEMENT
(CONT'D)

Stakeholder Engagement

The Group takes cognisant that stakeholders play an important role in the Group's sustainability journey, and aims to strengthen the engagement with them. By collaborating with stakeholders and pursuing sustainable practices in the business operations, the Group is certain to create long-term value for the business and the communities the Group serve.

The table below contains a list of key stakeholders, areas of interest, engagement methodology and frequency of engagement to tackle the issues unique to each of the stakeholder group.

	Engagement Platform	Frequency	Areas of Interest or Concern
Shareholders & investors	• Financial and operational performance • Corporate governance • Internal control and risk management	• Annually • Quarterly	• Financial and operational performance • Corporate governance • Internal control and risk management
Customers	• Corporate website • Direct engagement	• As and when required • Quarterly	• Product and service quality and pricing • Customer service • Product and service innovation
Vendors & Suppliers	• Direct engagement • Meetings and discussions	• Periodically • As and when required	• Business continuity • Prompt payment of invoices
Employees	• Performance appraisals • Social events with employees • Meetings and discussions • Trainings	• Annually • Periodically • Quarterly	• Job security and competitive remuneration package • Employee Health and Safety • Career development and advancement
Government Regulators	• Meetings and consultations • Dialogues • Audit and verification	• Annually • Quarterly	• Regulatory compliance • Approvals and permits
Local communities	• Internship programme	• Annually	• Good corporate citizenship

SUSTAINABILITY STATEMENT
(CONT'D)

Materiality Sustainability Matters

The Group is committed in managing sustainability matters that are significant as it affects the Group's strategy and business. We believe that by considering materiality matters in our decision can help to create a positive impact and contribute to a more sustainable future. The materiality assessment process helps in identifying and assessing key risks and opportunities from EES issues that are most relevant and significant to the Group and its stakeholders.

The materiality assessment was developed as a result of a process aligned with the SRG, 2nd Edition, issued by Bursa Malaysia Securities Berhad. This process involved identifying and engaging with key stakeholders to determine the most significant EES that impact the business and stakeholders. The results of this assessment are used to guide the sustainability strategy and decision-making processes.

01

Objectives and audience

- Identify appropriate objectives relating to sustainability matters
- Identify key internal and external stakeholders
- Determine the sustainability issues relevant to the stakeholders

02

Understanding the organisation's context

- Determine the context and scope in terms of internal and external sustainability issues
- List the organisation's sustainability issues

03

Stakeholder engagement

- Proper stakeholder identification, mapping and prioritisation based on their influence and interest
- Validate the priority of each stakeholder group's concerns

04

Prioritisation

- Prioritise key sustainability matters based on the relevance to stakeholders and significance to the business
- Plan the possible actions and report on the key sustainability matters

05

Process Review

- Evaluate the materiality assessment process against the desired outcomes
- Re-assess the process to achieve desired outcomes when necessary

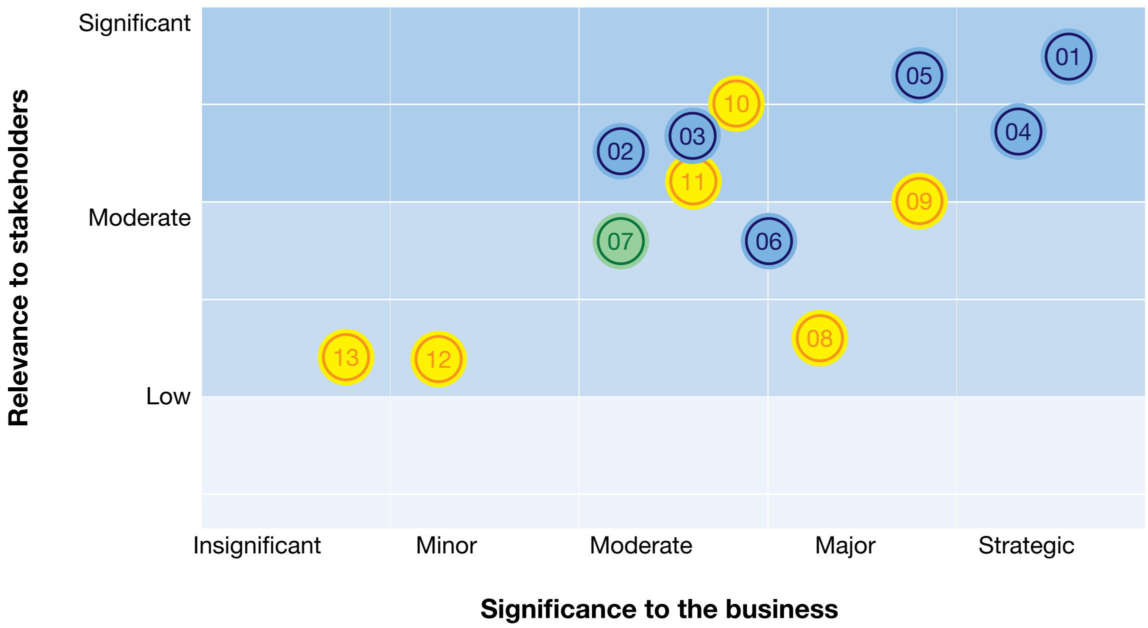
SUSTAINABILITY STATEMENT
(CONT'D)

Materiality Sustainability Matters (Cont'd)

In FY2022, the Group conducted a review of the existing material topics to ensure the alignment with G3 Global's objectives. This involved assessing the relevance of the current material matters in light of the Group's business and the external environment. Through this validation process, the Group was able to confirm that the current material matters remain relevant and continue to reflect the key EES issues that impact the business and stakeholders.

https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3253628

Materiality Sustainability Matters Table



01	Profitability	02	Market Presence	03	Anti-Bribery and Anti-Corruption
04	Corporate Governance	05	Innovation & Digital Transformation	06	Cybersecurity
07	Compliance	08	Diversity and Equal Opportunity	09	Employment
10	Customer Privacy	11	Occupational Health and Safety	12	Training and Development
13	Employee Engagement				

Note: *Economic* *Environmental* *Social*

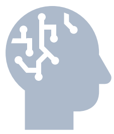
The Group acknowledge the need to include indicators in the reporting, but G3 Group is currently in the process of developing relevant key performance indicators ("KPIs") to monitor our performance in EES initiatives. This will help to establish accountability and facilitate comparison of critical metrics across reporting years.

SUSTAINABILITY STATEMENT
(CONT'D)

Key Highlights

Obtained

Large-scale contract to drive digital transformation of KLIA and KLIA2



Contributed

Donated over **RM 28 thousand** to local communities

Achieved

Zero cases on Bribe

Zero fines by the authorities for Environmental non-compliance

Recorded

80 training and development hours for all employees

Risk, Opportunities and Management

The material assessment helped to identify significant sustainability issues, prioritise actions, manage risks, capitalise on opportunities, and create long-term value for stakeholders while contributing to sustainable development to achieve its goals and thrive in the long run.

Material Topics	Risks	Opportunities	Impact to the Key Stakeholders	Management Approach
Economic Performance	• Challenges in securing projects • Liquidity risk	• Cost savings initiative	Shareholders & Investors, Customers, Vendors & Suppliers	• Implement a prudent cost management wherever applicable. • Follow up on potential leads and projects.
Market Presence	• Market positioning challenge	• Market differentiation • Innovation opportunities • Increase brand value	Shareholders & Investors, Customers, Vendors & Suppliers	• Partnership with key Global AI player.
Anti-Bribery and Anti-Corruption	• Integrity risk	• Increased governance compliance	Shareholders & Investors, Customers, Vendors & Suppliers	• Refresher training is provided to all staff on MACC policies.

SUSTAINABILITY STATEMENT
(CONT'D)

Risk, Opportunities and Management (Cont'd)

Material Topics	Risks	Opportunities	Impact to the Key Stakeholders	Management Approach
Corporate Governance	• Non-compliance to business operating rules and regulations	• Improved transparency and stakeholders' confidence	Shareholders & Investors, Customers, Vendors & Suppliers	• Frequently monitor for update (if any) on change in business operating rules and regulations to staff by Bursa.
Cybersecurity	• Cybersecurity threat	• Increase in cybersecurity awareness and compliance	Shareholders & Investors, Customers, Vendors & Suppliers	• Formalisation of Information and Communication Technology ("ICT") policies and procedures.
Compliance	• Non-compliance to business operating rules and regulations	• Cost savings initiatives	Shareholders & Investors, Customers, Vendors & Suppliers	• Frequent update (if any) on change in business operating rules and regulations to staff.
Diversity and Equal Opportunity	• Legal risks • Loss of key staff	• Better customer and market understanding • Brand and reputation enhancement	Employees, Local Communities	• Provide ongoing on job training to staff.
Occupational Health and Safety	• Non-compliance to business operating rules and regulations	• Increased productivity	Employees	• Frequent update (if any) on change in business operating rules and regulations to staff.
Employment	• Loss of key staff	• Increased productivity	Employees, Local communities	• Relevant training and conferences are provided to staff for knowledge and exposure enhancement.
Customer Privacy	• Cybersecurity threat	• New business opportunities	Shareholders & Investors, Customers, Vendors & Suppliers	• Establishment of access management policy and data storage policy.

SUSTAINABILITY STATEMENT
(CONT'D)

Risk, Opportunities and Management (Cont'd)

Material Topics	Risks	Opportunities	Impact to the Key Stakeholders	Management Approach
Innovation and Digital Transformation	• Technology landscape risk	• New business opportunities	Shareholders & Investors, Customers, Vendors & Suppliers	• Leverages on G3 Global's technology partner to expose on new technology advancement.
Training and Development	• Technology landscape risk • Loss of key staff	• Increased productivity	Employees	• Relevant training and conferences are provided to staff for knowledge and exposure enhancement.
Employee Engagement	• Loss of key staff	• Increased productivity	Employees	• Weekly one to one session between Management and staff.

1.1 ECONOMIC SUSTAINABILITY

The Group believes that responsible resource use and long-term economic growth are pivotal for the success of the business and the communities. The Group's main focus is on ensuring that the operations generate returns while also minimising the impact on the environment, promoting social equity, and respecting cultural diversity. To achieve this, the Group prioritises good business ethics, responsible governance, and best practices across all areas of operations, and are committed to upholding the highest standards of integrity and transparency. The Group aims to build and maintain the trust and confidence of the Group's customers, partners, and stakeholders and contribute to a sustainable and prosperous future for all.

The Group's visions and mission for economic sustainability is based on five (5) key principles listed below.

- To listen to our consumers and business partners;
- To emphasise product innovation;
- To build brand awareness;
- To focus on strong analytics and disciplined financial management; and
- To build our talented workforce.

By following these principles, the Group creates a sustainable growth and value for its stakeholders.

Economic Performance

The Group is committed to enhance various aspects of human life, including healthcare, security, safety, and more, through the Group's focus on Artificial Intelligence ("AI") in collaboration with one of the largest AI providers in the world. While the Group anticipated challenges in the FY2022, the Group remains steadfast in the dedication to achieving long-term profitability and sustainable growth by delivering innovative solutions of exceptional quality to G3 Group's customers. The Group recognises the importance of sustainability in achieving these goals and are actively engaging with stakeholders to develop and implement sustainability strategies, priorities, and targets that align with evolving sustainability agendas.

In FY2022, the Group secured a new project to design, supply, install, testing and commissioning for the Airport Integrated Security and Safety System ("AIS3") at Kuala Lumpur International Airport ("KLIA") and KLIA2.

SUSTAINABILITY STATEMENT
(CONT'D)

1.1 ECONOMIC SUSTAINABILITY (CONT'D)

Economic Performance (Cont'd)

The said project is expected to be completed by early 2024 and this represents a significant opportunity for the Group to expand its expertise in airport security and safety management while delivering cutting-edge, sustainable solutions to its clients and stakeholders. For further detail please refer to the Management Discussion and Analysis section of the Company's Annual Report.

Market Presence

The Group's commitment to establishing s strong market presence in Malaysia through expansion and diversification initiatives aligns with its dedication to building a more sustainable future. By focusing on sustainability in business practices, the Group enhances its market presence and at the same time contribute to creating a better environment and society for future generations. This approach helps the Group to establish a positive reputation among stakeholders, including customers, investors and communities, leading to a more successful and sustainable business in long run.

Corporate Governance

The Group is continually conforming with the best practices in regulatory requirement in order to provide sustainable futures for the business. At the same time, it is shaping the business to be more culturally and dynamically relevant in order to build investor trust.

By adhering to Malaysian Code on Corporate Governance 2021 ("the Code"), that sets the key principle and best practices for organisation, G3 Global ensures effective oversight and management of areas such as corporate governance, financial reporting, and risk management. This approach helps to build investor trust and confidence in G3 Global, as well as contribute to long-term business success.

The Audit Committee ("the AC") who is principally responsible for the oversight of areas of corporate governance, the integrity of the Group's financial statements and internal control system while Risk Management Committee ("RMC") oversee the risks and risk mitigating controls affecting the Group.

Further details of the Group's corporate governance practices can be referred to under the Corporate Governance Overview Statement of this Annual Report, which incorporates areas such as our core policies, board composition, risk management and other governance related matters.

Anti-Bribery and Anti-Corruption

The Group has a zero-tolerance approach towards bribery and corruption in all business practices. The Group provides clear guidance to employees and business partners on how to address and manage these risks through the Anti-Bribery and Corruption Policy. All employees receive frequent training on the Policy, and new employees are introduced to the topic during their induction course. Employees are required to acknowledge and agree to adhere to the relevant policies annually.

This Anti-Bribery and Corruption Policy is available on our Group's website, https://g3global.com.my/downloads/G3_General_ABC_Policy.pdf

Whistleblowing Policy

The Group has established a Whistleblowing Policy to encourage all employees including the Directors, business partners, and external parties to report any improper conduct or inadequacies in the Group's Anti-Bribery and Corruption ("ABC") programme.

Reports can be made through various channels, such as email to whistleblowing@g3global.com.my or traditional mail, addressed to the Managing Director, Chief Executive Officer, Group Chief Financial Officer, HODs etc. All submitted complaints and disclosures and will be reviewed by the Whistleblowing Committee. An investigation team will then investigate the complaints fairly and present their findings to the Committee for further action based on the Group's policies.

SUSTAINABILITY STATEMENT
(CONT'D)

1.1 ECONOMIC SUSTAINABILITY (CONT'D)

Whistleblowing Policy (Cont'd)

There were no whistleblowing incidents related to unethical or suspicious behavior report in FY2022 (2021: Nil). Anyone who suspects misconduct or wrongdoing is encouraged to report it through the established reporting mechanism outlined in the Whistleblowing Policy. The policies are accessible on the Group's website at www.g3global.com.my.

Cybersecurity

The Group's takes cybersecurity threats seriously and manages them carefully to mitigate the risks posed by various forms of attacks. The Group is guided by a set of approved IT policies to govern its cybersecurity efforts. The IT policies inclued the following:

Access Management	Cloud Data Storage	Purchase of Hardware
Network Security	Portable Data Storage	Software Licensing

The Group protects its' own IT infrastructure by implementing firewall and perimeter security, active virus and threat protection, and secure access control measures for cloud data storage. The Group also use the latest anti-virus and anti-malware software, restrict access to social websites, and use Virtual Private Network ("VPN") for access.

In addition, the Group have established disaster recovery and business continuity processes that involve periodic backup at an offsite location. These measures are reviewed and updated regularly to ensure the highest level of security for the Group's IT systems.

The Group's AI provider, SenseTime International Pte Ltd ("SenseTime"), has been graded as Level 3 under China's Multi-Level Protection Scheme ("MLPS") 2.0 for cybersecurity, which is a national standard designed to access and improve the cybersecurity capabilities of organisations operating in China. SenseTime is one of the first companies to pass the MLPS assessment since its implementation by the Chinese government in December 2019.

In FY2022, there were no recorded cases of data breaches or complaints from external stakeholders regarding the data breaches. (FY2021: Nil).

1.2 ENVIRONMENT SUSTAINABILITY

The Group's operation did not have a direct negative impact on the environment. G3 Global is committed to responsible management of natural resources and focuses on improving energy and water efficiency, as well as implementing the 4Rs ("Refuse, Reduce, Reuse, and Recycle") initiative to minimise waste. All staff are informed and encourage to support these green initiatives.

The Group's ongoing EES initiatives, which we have consistently been adopting are listed below:

Initiatives to the Environment	Objective	Status
Conversion of iridescent or fluorescent lamps to light-emitting diode ("LED") light bulbs	Energy efficiency	Achieved and maintained
"Last out – lights off" practice	Energy efficiency	Achieved and maintained
4Rs practices	Proper segregation	Achieved and maintained
Disposal of electronic waste by a licensed computer-items disposal Company	Proper disposal	Achieved and maintained
Conversion of paper-based business operations to digital	Reduce waste	Ongoing
Create awareness and encouraging participation of our employees	Onboarding	Achieved and maintained

SUSTAINABILITY STATEMENT
(CONT'D)

1.2 ENVIRONMENT SUSTAINABILITY (CONT'D)

Energy Usage and Water Management

The Group's environmental impact is low due to the nature of its operations, but the Group is committed to responsible management of natural resources. The Group focusses on improving energy and water efficiency and implementing a 4Rs initiative. As a result of these initiative, the Group has been able to maintain low level of electricity and water consumption, although there was a slight increase in electricity usage intensity in FY2022 due to the reopening of the office-based operations after the COVID-19 pandemic.

G3 Global's total use of resources is summarised in the table below:

Resources	Item	Unit	31 December 2022		31 December 2021		31 December 2020	
			Amount	Intensity	Amount	Intensity	Amount	Intensity
Energy	Electricity	kWh	RM23,188	39,431	RM24,117	28,937	RM23,659	20,706
Water	Water	m^3	RM864*	37.00	RM864*	69.00	RM864*	42.99

* *Water usage is charged at a fixed rate of RM72 per month by Gamuda Walk Mall building management.*

Compliance

The Group operates the business with responsibility and integrity, and the Group prioritises compliance with all applicable laws and regulations. To ensure compliance, the Group have established policies and procedures to promote a culture of compliance within the Group. The Group regularly assess environmental risks and potential issues related to the Group's business operations. In FY2022, the Group achieved 100% compliance with all relevant environmental regulations, and the Group did not receive any sanctions resulting from non-compliance (FY2021: Nil).

1.3 SOCIAL

Diversity and Equal Opportunity

While the Group has maintained a diverse workforce in terms of gender, the Group encourages further efforts to promote diversity and inclusion across all areas of the business. The Group aims to create a workplace that values diversity in all its forms, including but not limited to age, ethnicity, race, religion, disability, and sexual orientation. The Group will continue to review the recruitment practices to ensure that the Group attracts and hires individuals from diverse backgrounds and strive to foster a culture of inclusivity and respect within the organisation.

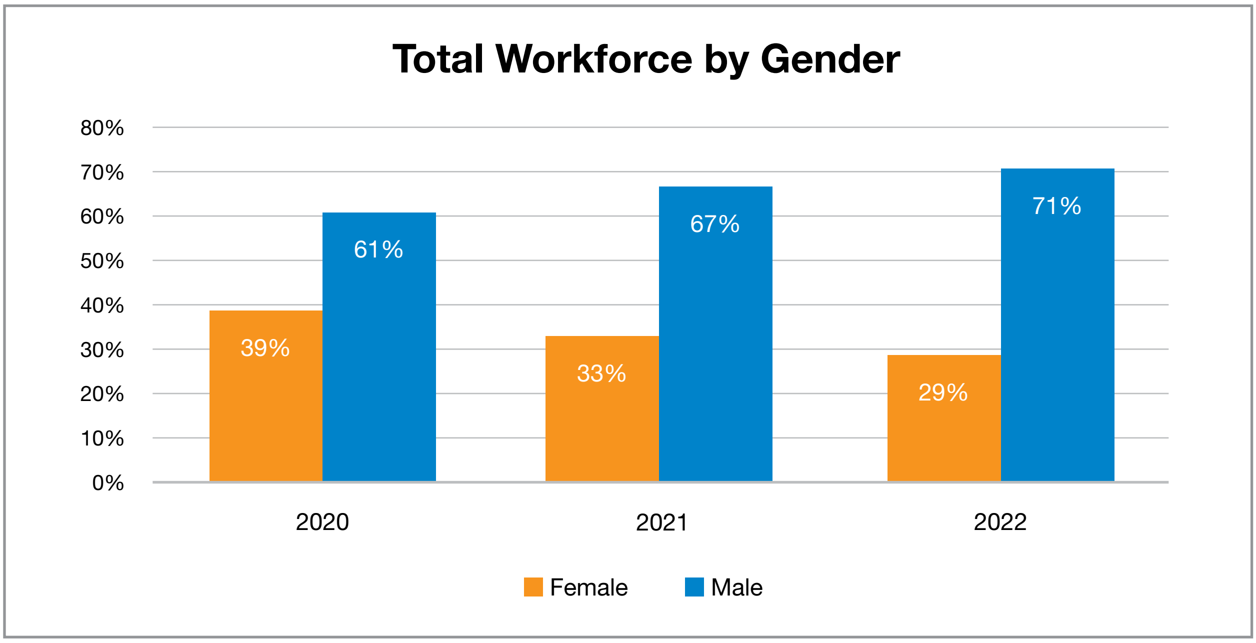
The Group values diversity and inclusion in the workplace and is committed to reviewing recruitment practices to achieve that goal. It's also important to track and analyse diversity metrics, such as the percentage of male and female employees, to ensure progress is being made.

In FY2022, the Group's total workforce of 14 people consists of 71% males and 29% of females (FY2021: 13 people, 67% males 33% females). While the decrease in the number of female employees may be due to circumstances beyond G3 Global's control, it is essential to actively seek out and hire qualified candidates from diverse backgrounds to create a more inclusive and diverse workforce.

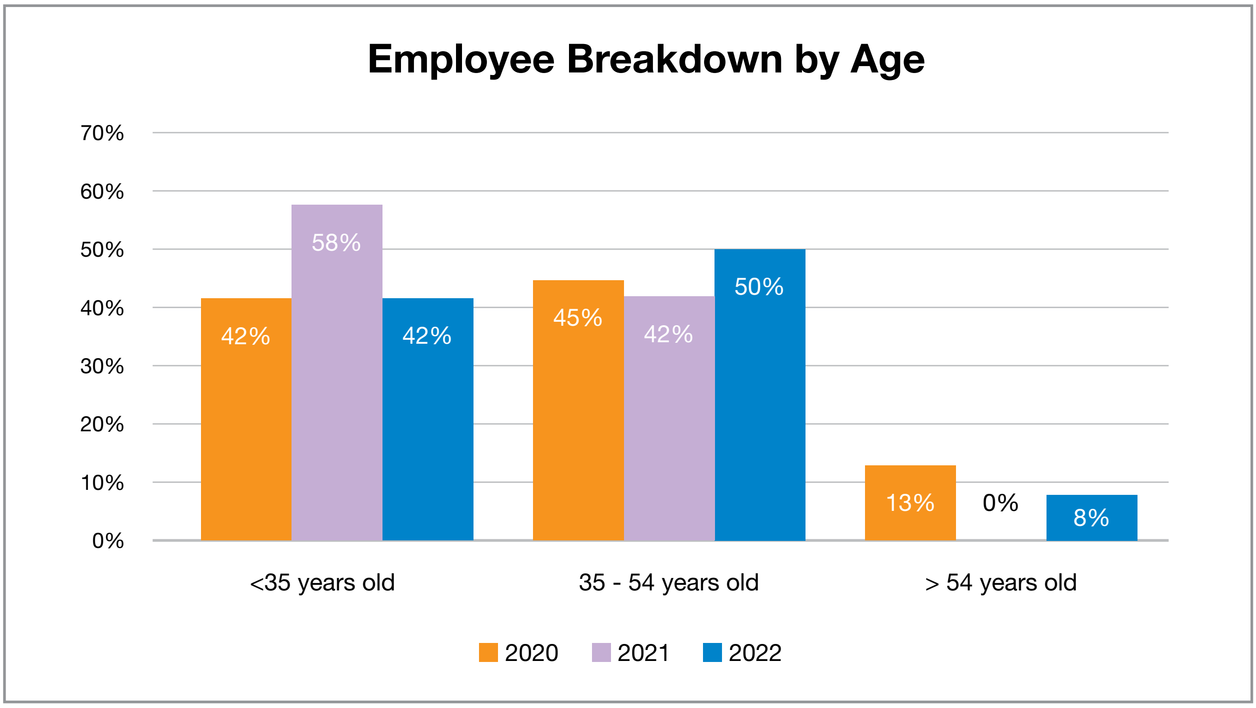
SUSTAINABILITY STATEMENT
(CONT'D)

1.3 SOCIAL (CONT'D)

Diversity and Equal Opportunity (Cont'd)



The Group has a diverse age range among its workforces. Having a diverse age range brings different perspectives and experiences to the workplace, which is beneficial for the Group's business, besides reflecting the commitment to being an equal opportunity employer. Half of the Group's employees are aged between 35 – 54 years old, with the remaining employees being either 25 – 34 years old or above 54 years old.



SUSTAINABILITY STATEMENT
(CONT'D)

1.3 SOCIAL (CONT'D)

Diversity and Equal Opportunity (Cont'd)

As an AI product and services specialist service, the Group hires based on qualifications and experience, without regard to gender. The Group has implemented measures to ensure that gender discrimination does not occur during the recruitment process, which measures are designed to promote a diverse and inclusive workplace.

Employment

The Group prioritises the well-being and development of the Group's employees and strive for a diverse and inclusive workplace with equal opportunities for all employees, regardless of their race, religion, gender, age or any other characteristics. As at FY2022, the Group's workforce was 99% local talent, which has remained consistent over the past years. (FY2021: 99%)

In FY2022, the Group hired a total of three (3) (FY2021: 6) new employees, all of whom were male. We also offer internship opportunities to support the development of young talent, and during FY2022, the Group had 10 (FY2021:10) interns working in our IT Department.

In addition, the Group is committed to providing fair and competitive wages and benefits to the Group's employees. The Group offers hospitalisation and surgical plan, personal accident insurance, and leave benefits, as well as travel allowances. The Group's employee benefits programs are designed to meet the needs of our employees and provide them with a comprehensive package that aligns with industry standards as well as statutory requirements.

Leave Entitlement

- Examination Leave
- Maternity & Paternity Leave
- Compassionate Leave
- Marriage Leave
- Hajj Leave
- Prolonged Medical Leave

Health and Medical Benefits / Allowance

- Group Hospitalisation & Surgical Plan
- Personal Accident Insurance
- Outpatient Medical Treatment
- Travelling allowance including mileage and subsistence

Source: Extracted from Employee Handbook

Customer Privacy

The Group takes customer privacy seriously and adhere the guidelines set forth in the Personal Data Protection Act 2010 ("PDPA"). The alignment with PDPA ensures the proper collection, processing and retention of personal data. The Group has included confidentiality in the Code of Conduct, employment letters and employee handbook.

The Group has strict measures in place to protect customers' data, such as firewalls, anti-virus applications, password protection and regularly security updates. The Group has established an IT policy that provides guidelines for access management, network security and cloud storage data. The Group's employees are trained on the importance of maintaining customers privacy.

The Group did not receive any complaints about data privacy leakage in FY2022 (FY2021: Nil). If you have any questions or concerns about your privacy, please reach out to us at contact@g3global.com.my.

SUSTAINABILITY STATEMENT
(CONT'D)

1.3 SOCIAL (CONT'D)

Innovation and Digital Transformation

The strength of the Group in the ICT sector is shown through the recent secured airport security system project for KLIA and KLIA2. The implementation of complete security network for KLIA and KLIA 2 from provision of closed-circuit television ("CCTV") cameras to implementation of the Group's AI system to further enhance the security feature at both the airports.

As a key distributor of SenseTime products in Malaysia, the Group is well-positioned to incorporate their technology and expertise into our healthcare division's innovation unit. This partnership provides valuable resources and insights for our innovation initiatives, helping the Group to prioritise innovation metrics and developed state-of-the-art solutions that meet the evolving needs of the healthcare industry in Malaysia.

Occupational Health and Safety

At G3 Global, we prioritises the health and safety of our employees and external parties such as vendors and business partners as a top priority. Our Health and Safety Policy ensures that we provide a safe work environment and take necessary precautions to prevent accidents and injuries. We work with regulatory agencies to comply with relevant occupational health and safety laws and strive to improve our practices through regular evaluation and revision of policies and procedures .

Training and Development

The Group prioritises sustainability in all areas of the operations, including the training and development initiatives to maintain high level of competency throughout the Group. The Group's training programmes are designed to support the long-term well-being of the employees and provide flexible learning opportunities. The Group will work with Head of Departments to identify training needs based on business strategy, regulatory requirements, and employee development needs. These programmes aim to enhance technical, interpersonal, business and management skills while meeting regulatory requirements and the needs of the Group's business.

The Group provided a total of 80 hours of training in FY2022 (FY2021: 26.5 hours) that focused on interpersonal skills, leadership, and governance, costing a total of RM28,345 (FY2021: RM 8,670). The Group aims to continue supporting the learning and development of its employees to foster a culture of agility and resilience in a rapidly changing business environment.

Employees' Engagement

Communication and engagement with employees are crucial to maintaining a positive and productive work culture. The Group prioritises in maintaining an open and transparent line of communication with all staff members to ensure they feel connected and cared for.

In FY2022, the Group organised engagement activities such as a bowling tournament, distribution of Hari Raya goodies and birthday celebrations to show appreciation for employees' contributions to the Group.

SUSTAINABILITY STATEMENT
(CONT'D)

1.3 SOCIAL (CONT'D)

Employees' Engagement (Cont'd)

1.4 Moving Forward Statement

The Group is committed to sustainability by promoting resource efficiency and adopting green technologies where possible. The Group aims to minimise waste and promote environmental and social responsibility.

The Group recognises that sustainability requires ongoing commitment and action, and the Group is dedicated to continuously improving sustainability practices. The Group aims to achieve the sustainability goals by working with employees, customers, and business partners, and the Group is confident that prioritising sustainability will create a brighter and safer future for generations to come.

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 2021 ("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
  - Engagement with Stakeholders
  - Conduct of General Meetings

This CG Overview statement is to be read together with the Corporate Governance Report 2022 ("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 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. To ensure proper corporate governance, based on the size of the Company and its operating environment, the Board has taken alternative measures on those Practices that could not be applied for the time being.

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 and 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 Company's and the Group'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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

BOARD RESPONSIBILITIES (CONT'D)

The Board's duties and responsibilities, amongst others, including the following: (Cont'd)

- Developing and implementing an investor relations programme or shareholder communications policy for the Company;
- 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; and
- Commits to the Group sustainability in evolving global environment, social and governance (ESG) aspect of business which underpins sustainability.

During the financial year, the Board has continued with strategic and operational transformation within the Group as its key focus areas to improve the financial position of the Group as well as maintaining operational efficiency for the Group's sustainability. This led to a rise in revenue for the Group while maintaining a stable cost structure to remain resilient and stronger in the market. 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 Independent Chairman, Dato' Sri Alias Bin Haji Ahmad 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 Director 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.

Corporate Sustainability

The Board commits to the Group sustainability in evolving Global Environment, Social and Governance (ESG) aspect of business which underpins sustainability. The Board together with Management take responsibility for the governance of sustainability in the Group and the Company and adopt various measures and good practices to promote sustainability.

Company Secretary

The Board is supported by a Company Secretary, Wong Youn Kim, who is a Fellow 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 difference individuals. The Board has delegated to the Managing Director the authority for the implementation of the Company's business plans and managing the operational activities and financial performance of the Company.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD RESPONSIBILITIES (CONT'D)

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 and the sustainability of the Group. During the financial year under review, seven (7) Board meetings were held, and one (1) Board meeting was held from 1 January 2023 up to the date of approving this report. The record of attendance of the Board members is as follows:

NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED / NO. OF MEETINGS HELD	
	Year 2022	1/1/2023 up to the date of approving this report
Dato' Sri Alias Bin Ahmad	7/7	1/1
Dato' Sri Aminul Islam Bin Abdul Nor	7/7	1/1
Mr. Kunal Tayal	7/7	1/1
Mr. Dirk Johann Quinten	7/7	1/1
Dr. Salihin Bin Abang	6/7	1/1
Dr. Tee Kim Siong (resigned on 8 June 2022)	1/2*	-

* *There were two Board Meetings held before the resignation of Dr. Tee Kim Siong.*

All notices of meetings together with the agenda and discussion papers are served to 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. The Board Charter had been updated to be in line with the MCCG 2021.

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. 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)

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

BOARD RESPONSIBILITIES (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 inadequacies of the Group's Anti-Bribery and Corruption ("ABC") programme which they have become aware of.

BOARD COMPOSITION

At present, the Board composition comprises of five (5) members with Dato' Sri Alias Bin Ahmad at the helm as Independent Non-Executive Chairman. The Board comprises two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

Despite that the number of Independent Director on Board has not fulfilled Practice 5.2 of the MCCG which recommends at least half of the Board comprises Independent 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 in 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 endeavor to fulfill the gender diversity representation.

Role and activities of Nomination Committee

The Board established a Nomination Committee ("NC") on 3 December 2003. During the financial year, the composition of the NC had been refreshed. Currently, the NC comprises three (3) members, majority of Independent Non-Executive Directors, and is chaired by an Independent Non-Executive Chairman. The NC composition is as follows:

- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Chairman)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member)
- Dr. 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.
iii) Assessment of the desirable balance in Board membership by reviewing the size, composition, structure and mix of skills of the Board, taking into consideration the number of directorships.

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

a) Perform annual review of the Board composition to ensure Board continue to function adequately;
b) Perform an annual assessment on the performance and effectiveness of the Board, Board committees and individual Directors;
c) Review the term of office and performance of the Audit Committees;
d) Review the training need of Directors;
e) Recommend the re-election of retiring Directors based on the outcome of annual assessment as well as Directors' fit and proper criteria; and
f) Review the Terms of Reference of the NC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD COMPOSITION (CONT'D)

Nomination and appointment process

In 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 identify candidates through the Company's networking, use open advertising or the services of external advisers to facilitate the search and consider candidates from a wide range of backgrounds.

The NC is guided by the Company's Directors' Fit and Proper Policy in its selection and evaluation process. For the position of Independent Non-executive Directors, the NC will evaluate the candidates' ability to discharge such responsibilities as expected from independent directors. The NC ensures that the selection and assessment of the candidates is performed objectively before making recommendation to the Board.

When recommending to the Board for candidates to fill the seats on Board Committees, the NC will consult with the Chairman of the relevant Board Committees. For the Board Committees' Chairman position to be filled, the NC will consult with the Board.

Annual Assessment Process

- The NC annually reviews the Directors' fit and proper, caliber and personality, and contribution and performance of the individual Directors; the mix of skills, composition and effectiveness of the Board and the Board Committees.
- The assessment is performed annually and internally facilitated by the Company Secretary. The evaluation is properly documented.
- The Performance Appraisal Forms are designed with reference to the Company's Directors' Fit and Proper Policy and performance evaluation criteria as recommended in the Corporate Governance Guide and assessment of the independence of the Independent Directors is based on the independence criteria as set out in the Main Market Listing Requirements.
- During the financial year, NC integrated the Environmental, Social and Governance (ESG) considerations and sustainability targets into the Board performance evaluation in addition to the above performance evaluation criteria.
- Prior to the NC meeting, the respective Performance Appraisal Forms and ESG Evaluation Assessment Forms are circulated to the NC members and all Board members via electronic-mail. While the NC evaluates the performance of the Board and Board Committees as a whole, each individual Directors will perform self-assessment and comment on their own fit and proper, skill set, contribution and performance.
- The Company Secretary compiles and summarises the performance rating to facilitate the NC's review.
- At the NC meeting, the NC reviews and discusses the performance of the Board and Board Committees, and each individual Director as well as their fit and proper to continue serving the Board.
- The NC then reports the outcome of the assessments to the Board for its review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

BOARD COMPOSITION (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.

The existing Directors, namely Mr. Dirk Johann Quinten and Mr. Kunal Tayal shall retire by rotation and stand for re-election at the forthcoming AGM.

The NC had assessed the performance of the above retiring Directors based on the performance evaluation criteria which incorporated with the Directors' fit and proper criteria as set out in the Directors' Fit and Proper Policy of the Company. The recommendation to the shareholders for re-election of the retiring Directors at the forthcoming AGM is justified based on the outcome of the assessment.

Conflict of interest

Directors are required to declare their respective shareholdings in the Company and related companies and their interest 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 maximise 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD COMPOSITION (CONT'D)

Directors' Training (Cont'd)

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

Training Programmes Attended:

Director	Topic	Date
Dato' Sri Alias Bin Ahmad	Mandatory Anti-Bribery & Corruption Training "Anti-Bribery and Corruption: What You Need to Know"	23 February 2022
	Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting	22 December 2022
Dato' Sri Aminul Islam Bin Abdul Nor	Mandatory Anti-Bribery & Corruption Training "Anti-Bribery and Corruption: What You Need to Know"	23 February 2022
	Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting	22 December 2022
Dirk Johann Quinten	Mandatory Anti-Bribery & Corruption Training "Anti-Bribery and Corruption: What You Need to Know"	23 February 2022
	Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting	22 December 2022
Kunal Tayal	Mandatory Anti-Bribery & Corruption Training "Anti-Bribery and Corruption: What You Need to Know"	23 February 2022
	Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting	22 December 2022
Dr. Salihin Bin Abang	Mandatory Anti-Bribery & Corruption Training "Anti-Bribery and Corruption: What You Need to Know"	23 February 2022
	Reimagine Risk Management: Post-Pandemic	25 February 2022
	Talk on Corporate Liability Under Section17A MACC Act	25 February 2022
	TCFD 101: Getting started with climate-related financial reporting.	2 March 2022
	Sharing on Digitalisation Grant	9 March 2022
	TCFD Climate Disclosure Training Programme	9 March 2022
	Corporate Tax Planning	15 March 2022
	Entering The 5G Era	17 March 2022
	Technology Adoption Strategy for SMPs and SMEs	23 March 2022
	HASiL-MEF Tax Webinar 2022 - Building Sustainable Future	30 March 2022
	The Securities Commission Audit Oversight Board's Conversation with Audit Committees	07 April 2022
	Corporate Governance (CG) Overview Statement CG Report, Audit Committee Report and The Statement on Risk Management & Internal Control (SORMIC)	08 April 2022
	Basics Of Climate Change and Organisational Greenhouse Gas Accounting: Master Climate Reporting Effectively	25 – 26 April 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD COMPOSITION (CONT'D)

Directors' Training (Cont'd)

Training Programmes Attended: (Cont'd)

Director	Topic	Date
Dr. Salihin Bin Abang (Cont'd)	Executive Masterclass: Developing Malaysia's Roadmap to Net Zero	27 April 2022
	MIA Mental Health Webinar Session - Turning Stress into Positive Energy	20 May 2022
	MIA Virtual Conference Series: Corporate Board Leadership Symposium 2022 - Mastering Governance in The Era of ESG	30 – 31 May 2022
	MIA Conference 2022 - Leading ESG, Charting Sustainability	8 – 9 June 2022
	MIA Webinar: Sustainability Management and Reporting - "What This Entails & How the Board and Management Go About Managing & Reporting Sustainability Practices	22 June 2022
	Sustainable And Responsible Investment (SRI) Virtual Conference 2022 - Preserving the Climate Through Sustainability Business and Living (Day 2)	23 June 2022
	Global Network of Directors Institute (GNDI) 24-Hours Global Conference	14 July 2022
	National Tax Conference 2022 - The Role of Taxation in Post Pandemic Recovery (Day 1)	02 August 2022
	National Tax Conference 2022 - The Role of Taxation in Post Pandemic Recovery (Day 2)	03 August 2022
	MIA Webinar: Living with COVID-19: Adapting to changes for well-being at work and home	04 August 2022
	UNITEN Lecture by Industry: Operating Segment (Panellist)	07 September 2022
	COVID-19 Related Issues in Financial Reporting - Going Concern, Impairment, and Financial Instruments	22 September 2022
	International Directors Summit 2022	26-28 September 2022
	Seminar Kewangan dan Pengauditan Sektor Awam: Menggerak Tranformasi Digital Sektor Awam Malaysia - Kepentingan dan Cabaran (Panellist)	04 October 2022
	MIA Webinar: Digital Transformation in Small and Medium Practice	20 October 2022
	ISQM1 Guide and Illustrative Manual Workshop	25 October 2022
	Global IERP Conference 2022	26 - 27 October 2022
	Latest Tax Developments	03 November 2022
	Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting	22 December 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

REMUNERATION

The Remuneration Committee ("RC") was established on 3 December 2003. During the financial year, the composition of the NC had been refreshed. At present, the RC comprises three (3) members, exclusively Non-Executive Directors, majority of them are Independent Non-Executive Directors, and is chaired by an Independent Non-Executive Chairman. The RC composition and its changes are as follows:

- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Chairman)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member)
- Dr. 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 recommendations 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.

Directors' remuneration

The Board applies Practice 8.1 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 2022 are disclosed below:

<u>GROUP and COMPANY</u>

Non-Executive Directors

No.	Name	Directors' Fees RM	Other Emoluments RM	Total RM
1.	Dato' Sri Alias Bin Ahmad *(Independent and Non-Executive Chairman)*	60,000	20,000	80,000
2.	Dr. Salihin Bin Abang *(Independent Non-Executive Director)*	50,000	19,000	69,000
3.	Mr. Kunal Tayal *(Non-Independent Non-Executive Director)*	50,000	20,000	70,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

REMUNERATION (CONT'D)

GROUP and COMPANY (Cont'd)

Managing Director and Executive Directors

No.	Name	Salary & Allowance RM	Other Emoluments RM	Directors' fee RM	Total RM
1.	Dato' Sri Aminul Islam Bin Abdul Nor *(Executive Director)*	38,009	3,663	22,917	64,589
2.	Mr. Dirk Johann Quinten *(Managing Director)*	606,667	642	–	607,309
3.	Dr. Tee Kim Siong *(Executive Director)* (resigned on 8 June 2022)	–	1,000	6,250	7,250

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 corporate governance, the integrity of the Group's financial statements, risk management and the system of internal control.

During the financial year, the composition of the AC had been refreshed. At present, the AC comprise exclusively Non-Executive Directors, majority of Independent Directors in accordance with Main Market Listing Requirements.

The AC composition is as follows:

- Dr. Salihin Bin Abang, Independent Non-Executive Director (Chairman)
- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Member)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member)

To further enhance the independence of AC, the Board has applied Practice 9.2 of the MCCG to ensure that none of the AC members was a former partner the external audit firm of the Group and of the Company.

Financial Reporting

The Board provides 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 assists the Board in scrutinising the information to be disclosed to ensure accuracy and adequacy. Practice 9.5 of the MCCG recommends AC should possess an appropriate mix of skills, experience and expertise. The Company's AC possesses 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 9.3 of the MCCG 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

AUDIT COMMITTEE (CONT'D)

Internal Audit Function

The Group's internal audit function is outsourced to an independent professional firm, Tricor Axcelasia Sdn Bhd ("TASB") 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.

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 2022.

Risk Management Committee

The Board set up a Risk Management Committee ("RMC") in 2017 to oversee the Company's risk management framework and policies. During the financial year, the composition of the RMC had also been refreshed and its composition is as follows:

- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Chairman)
- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Member)
- Dr. Salihin Bin Abang, Independent Non-Executive Director (Member)

The functions of the RMC include:

- Evaluating the effectiveness of the 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 quarterly and annual risk management reports 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.

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 is 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 AC 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 about the Group could be obtained from the Company's website at www.g3global.com.my. In addition, the latest annual report available in PDF format can be downloaded from the Company's website. Quarterly announcements are also available at the website of Bursa Malaysia at www.bursamalaysia.com after announcement to the public.

GENERAL MEETING AND ANNUAL GENERAL MEETING ("AGM")

General meeting and AGM are 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 the 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 Chairman has ensured that shareholders are provided ample opportunity to raise questions and their concerns pertaining to the business activities and prospect of the Group. All the Directors are available to provide responses to questions from the shareholders during its AGM.

The Company has moved to leverage on technology to facilitate shareholders' remote participation and online remote voting at the general meetings and AGMs of the Company via an online meeting platform.

This report is approved by the Board on 17 April 2023.

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, organisational, 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. Risk Management Committee ("RMC") is also established to assist the Board to oversee the Company's risk management framework and policies.

INTERNAL AUDIT

Tricor Axcelasia Sdn. Bhd ("TASB"), an independent professional firm, was appointed to support the AC, and by extension, the Board, by providing independent assurance on the adequacy and effectiveness of the Group's system of internal control.

TASB reports to the AC and contributes towards improving the Group's risk management and control systems. In assessing the adequacy and effectiveness of the system of internal control 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 reviewed annually and approved by AC. The scope of TASB'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 2022 was RM41,250 (2021: 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. The RMC reports to the Board on its activities and the Risk Management Report.

OTHER KEY ELEMENTS OF RISK AND CONTROL PROCESS

With the assistance of the AC 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 is maintained. In addition, the Board is kept updated on the Group's activities and its operations on a regular basis;

- An organisational 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 and Management have assured the Board 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 2022.

COMPOSITION OF COMMITTEE

At present, the composition the AC is as follows:

- Dr. Salihin Bin Abang, Independent Non-Executive Director (Chairman)
- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Member)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member)

The current composition of the AC comprises three (3) members appointed by the Board from amongst the Board members. The AC comprises exclusively of Non-Executive Directors, with a majority of Independent 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 AC 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 Chairman of the AC, Dr. Salihin Bin Abang is a registered member of the Malaysian Institute of Accountants (MIA). He is also 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).

In addition, Mr. Kunal Tayal is a founders and committee member of the Malaysian Chapter of The Institute of Chartered Accountants of India (MICAI), an association of accountants specified in Part II of the First Schedule of the Accountants Act 1967, and with more than 3 years working experience in the related fields.

Accordingly, the composition of the Audit Committee complies with paragraph 15.09(1)(c) of the Main Market Listing Requirements.

OBJECTIVES

The principal objective of the 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.

AUTHORITY

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

The AC 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 AC 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 determine and monitor the type and level of non-audit services supplied by the External Auditors and its affiliates;
* 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 audit report 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;

AUDIT COMMITTEE REPORT (CONT'D)

DUTIES (CONT'D)

The duties of the AC include the following: (Cont'd)

* 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.

REVIEW OF THE AUDIT COMMITTEE PERFORMANCE

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

MEETINGS

The Audit Committee 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 the majority of members present must be independent directors.

A representative of the Company's department heads and the external auditors shall 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 Audit Committee shall be the Company Secretary or any other person appointed by the Audit Committee.

The procedures of the meeting of the Audit Committee 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 the meetings 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 have a casting vote;
* The minutes of the meetings shall be kept at the registered office of the Company; and
* The Secretary shall circulate the minutes of meetings to all members of the Audit Committee.

AUDIT COMMITTEE REPORT (CONT'D)

MEETINGS (CONT'D)

During the financial year ended 31 December 2022 and up to the date of approving this report, the attendance of each committee member is as follows:

NAME	NO. OF MEETINGS ATTENDED/ NO. OF MEETINGS HELD	
	Year 2022	1/1/2023 up to the date of approving this report
Dr. Salihin Bin Abang	4/4	1/1
Dato' Sri Alias Bin Ahmad	4/4	1/1
Mr. Kunal Tayal	4/4	1/1

SUMMARY OF ACTIVITIES OF AC

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

1. Reviewing and recommending for the Board's approval of the quarterly financial results.
2. Reviewing with the External Auditors their audit plan and management letter.
3. Meeting up twice with the External Auditors without the presence of Executive Members.
4. Reviewing the audit findings on audit issues raised by the External Auditors and recommending the draft Audited Financial Statements for the Board's approval.
5. Reviewing with the Internal Auditors their internal audit plan 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 of the External Auditors.
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 transactions and conflict of interest situation that may arise within the Group or Company.
10. Discussing various significant internal and external audit issues within the Group and operating environment.
11. Reviewing and examining the report on bribery and corruption issues in the Group, if any.
12. Reviewing the Debt Collection Policies and Procedures.
13. Reviewing the Inventory Process Workflow and Write-off Policies.
14. Reviewing the Cash Position and Cash Flow Projection.
15. Reviewing the Terms of Reference of the Audit Committee.
16. Confirming the minutes of the AC meetings.

AUDIT COMMITTEE REPORT
(CONT'D)

INTERNAL AUDIT AND RISK MANAGEMENT

The AC oversees the Internal Audit function. With the assistance of an outsourced independent internal auditor, namely Tricor Axcelasia Sdn. Bhd., 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 2022 include the following:

* Conducting internal audit reviews on operational and financial risks of the Group; and

* Reporting the results of the internal audit and making recommendations for appropriate actions to be taken and being carried out to mitigate and manage the identified risk.

This report is approved by the Board on 17 April 2023.

OTHER INFORMATION

UTILISATION OF PROCEEDS

The status of utilisation of proceeds raised from fund raising corporate exercises undertaken by the Company are set out below:

1) Private Placement 2022

The Company had on 27 June 2022 completed the Private Placement which was approved by the shareholders of the Company at the Extraordinary General Meeting 1 held on 8 April 2022 ("Private Placement 2022"). A total of 432,849,300 Placement Shares was issued and allotted on 22 June 2022 with total proceeds of approximately RM18.18 million raised. Prior to the Extraordinary General Meeting ("EGM") dated 28 March 2023, the status of utilisation of the proceeds is as follows:

Details	Proposed Utilisation ^RM'000	Actual utilisation as prior to date of EGM dated 28 March 2023 RM'000	Balance Proceeds RM'000	Revised utilisation of the balance proceeds after Proposed Variation RM'000	Intended timeframe for utilisation (from listing date)
Healthcare Business	17,665	–	13,873	–	Within 12 months
Future business projects/ investments	–	(3,792)**	–	13,873	Within 24 months
Working capital	–	–	–	–	Within 12 months
Expenses for the Diversification and Private Placement 2022	515	(515)	–	–	Within 1 month
Total	**18,180**	**(4,307)**	**13,873**	**13,873**	

Note:

^ The actual proceeds raised are intended to be utilised in the following order of priority, up to the respective maximum allocation in the following order:

(a) Expenses for the Proposals (up to RM1.2 million);
(b) Healthcare Business (up to RM20.0 million);
(c) Any balance thereafter will be allocated to:
(aa) working capital; and
(bb) future business projects/investments.

** Due to the urgency and cash flow requirements of AIS3 Project, the Placement Proceeds earmarked for Healthcare Business has been utilised for AIS3 Project for the following:

Details	RM'000
Payment to subcontractors for supply and installation of cables, equipment for data center and data recovery center, and project management services	2,339
Performance bond interest	653
Stamp duty, Legal fees and insurance cost	800
Total	**3,792**

OTHER INFORMATION (CONT'D)

UTILISATION OF PROCEEDS (CONT'D)

2) Proposed Variation and Proposed Private Placement

The Company had at the Extraordinary General Meeting held on 28 March 2023 obtained the approval from its shareholders to undertake the following corporate proposals:

(i) Proposed variation of the utilisation of proceeds raised from the Private Placement 2022 which was completed on 27 June 2022 to the current intended utilisation ("Proposed Variation"); and

(ii) Proposed private placement of up to 870,826,000 new ordinary shares in G3 Global ("G3 Global Shares" or "Shares"), representing not more than 30% of the issued shares in G3 Global ("Proposed Private Placement").

(i) Proposed Variation

As of 14 April 2023, being the latest practicable date prior to the date of printing of this Annual Report ("LPD"), the status of revised utilisation of the balance proceeds after the Proposed Variation is as follows: -

Details	Proposed Utilisation of the balance proceeds after Proposed Variation RM'000	Actual utilisation as of the LPD RM'000	Balance Proceeds RM'000	Intended timeframe for utilisation (from listing date)
Airport Integrated Security and Safety System (AIS3 Project)	13,873	(4,782)	9,091	Within 24 months
Total	**13,873**	**(4,782)**	**9,091**	

(ii) Proposed Private Placement

As of 14 April 2023, being the latest practicable date prior to the date of printing of this Annual Report ("LPD"), there were no Placement Shares have been issued and allotted and the implementation of the placement arrangement has yet to be completed. Based on an illustrative issue price, the gross proceeds to be raised from the Proposed Private Placement are intended to be utilised in the following manner:

Details	Proposed Utilisation RM'000	Actual utilisation as of the LPD RM'000	Balance Proceeds RM'000	Intended timeframe for utilisation (from listing date)
Funding for existing and future projects	14,500	n/a	n/a	Within 12 months
Working capital	3,858	n/a	n/a	Within 12 months
Expenses for the Proposals	800	n/a	n/a	Within 1 month
Total	**19,158**	**n/a**	**n/a**	

n/a = not available

OTHER INFORMATION (CONT'D)

AUDIT AND NON-AUDIT FEES

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

	Company	Group
Audit Fees	RM52,000	RM105,000
Non-audit Fees	RM5,000	RM5,000

LIST OF PROPERTY

There was no property held by the Company during the financial year ended 31 December 2022 and the Company does not adopt any revaluation policy on landed properties.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at 31 December 2022 or entered into since the end of the previous financial year.

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 2022 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 16 June 2022 (RM)	31 Dec 2022 (RM)
G3 Global, AG3, Atilze AI, G3 Technologies	AGA Touch, Clarity, AGA Global	G3 Global, AG3, Atilze AI, G3 Technologies, Atilze	Procuring of Big Data services involving complex and massive data analytics techniques and technologies, Provision of Data Management Services	AGA Touch, AGA Global, Clarity, Datuk Haji Khan, Datin Yasmine	8,000,000	–

OTHER INFORMATION (CONT'D)

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

Company in G3 Global Group	Transacting Party / Provider	Recipient	Nature of transactions	Related Party	Amount approved at AGM on 16 June 2022 (RM)	31 Dec 2022 (RM)
G3 Global, Atilze, Bestinet Healthcare	G3 Global, Atilze	Bestinet, Bestinet Technology	(a) Supply of AI equipment and services such as face recognition systems, backend software and diagnosis solutions	Dato' Sri Mohd Amin, Kunal Tayal	40,000,000	–
	Bestinet Healthcare	Bestinet, Bestinet Technology	(b) Medical support services covering :			
			1) Supply of Covid-19 kits for testing		25,000,000	617,464
			2) Provision of Covid-19 tests and related services including swabbing by medical personnel and engaging lab for test results		35,000,000	–
			3) Development & Operations of Healthcare test kit distribution systems i.e., developing end to end distribution solutions for test kits distribution and test results tracking as well as operating and maintaining the solutions developed.		20,000,000	–

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements of the Group as set out in this Report that give a true and fair view of the state of affair and financial position of the Group and of the Company as at the end of the financial year and of the income statement and cash flows for that year then ended.

The Directors consider that in preparing the financial statements:

- The Group has constantly applied appropriate accounting policies and are consistently applied;
- Reasonable and prudent judgements and estimates were made; and
- All applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible to ensure that the Company maintains accounting records that discloses with reasonable accuracy, the financial position of the Group and of the Company, and that the financial statements comply with the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

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 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and information and communication technology whilst those of its subsidiaries are disclosed in Note 5 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	**Company** RM
(Loss)/Profit for the financial year	(9,824,847)	838,291
Attributable to:-		
Owners of the Company	(8,764,593)	838,291
Non-controlling interests	(1,060,254)	-
	(9,824,847)	838,291

DIVIDENDS

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

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT
(CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital was increased from RM81,746,389 to RM108,580,869 by the issuance of 305,657,500 new ordinary shares pursuant to warrants exercise at the exercise price of RM0.03 per share and issuance of 432,849,300 new ordinary shares pursuant to private placement at the issuance price of RM0.042 per share. As a result, the number of ordinary shares was increased from 2,164,246,748 to 2,902,753,548.

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 name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Directors of the Company:-
Dato Sri Alias Bin Ahmad
Dato' Sri Aminul Islam Bin Abdul Nor*
Kunal Tayal*
Dirk Johann Quinten*
Dr. Salihin Bin Abang
Dr. Tee Kim Siong (Resigned on 8 June 2022)

*   Directors of the Company and certain of its subsidiaries

DIRECTORS' REPORT
(CONT'D)

DIRECTORS (CONT'D)

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows (cont'd):-

Directors of the subsidiaries:-

Abdullah Junaidi Bin Monil
Cheok Tuan Oon
Dr. Abdullah Sher Kawi Bin Jaafar
Datuk Ir Ts Hj Wan Nazri Bin Hj Wan Aria (Appointed on 24 June 2022 and Resigned on 11 November 2022)
Ahmad Rizan Bin Ibrahim (Resigned on 11 November 2022)
Datuk Haji Khan Bin Mohd Akram Khan (Resigned on 11 November 2022)
Datuk Wan Khalik Bin Wan Muhammad (Resigned on 24 November 2022)
Jeremy Khalif Lee Pheng Yau (Alternate Director to Datuk Haji Khan Bin Mohd Akram Khan) (Ceased on 11 November 2022)
Lim Boon Hong (Resigned on 2 June 2022)
Liew Kok Seong (Resigned on 7 June 2022)
Muhammad Asri Bin Haris (Ceased on 24 June 2022)
Puan Chan Cheong (Resigned on 10 June 2022)
Tan Kay Yen (Resigned on 10 June 2022)
Wang Zhijun (Resigned on 10 December 2022)
Xue Feng (Resigned on 10 December 2022)
Zhao Shounian (Resigned on 10 December 2022)

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 interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at financial year end (including the interests of spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	← Number of ordinary shares →			
	At 1.1.2022	**Bought**	**Sold**	**At 31.12.2022**
The Company				
Deemed interest:-				
Dato' Sri Aminul Islam Bin Abdul Nor #	537,888,900	-	20,000,000	517,888,900

\# Deemed interest by virtue of shareholdings in Greenfield Hills Sdn. Bhd., Dream Life Travels Sdn. Bhd., Data Bliss Sdn. Bhd. and Instacloud Sdn. Bhd..

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' REPORT
(CONT'D)

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivables by the Directors of the Company are as follows:-

	Incurred by the Company RM
Salaries and other emoluments	704,676
Defined contribution plans	3,600
Social security contribution	705
Directors' fee	189,167
	898,148

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.

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 RM5,000,000 and RM7,080 respectively. 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:-

(a) 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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT
(CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

(a) 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

(b) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) 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

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of 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

The significant events during the financial year are disclosed in Note 29 to the financial statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

The subsequent events after the financial year are disclosed in Note 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 Company and its subsidiaries are amounted to RM52,000 and RM53,000 respectively.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the requirements of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

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.

....	)	
DATO' SRI AMINUL ISLAM BIN ABDUL NOR	)	
	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
....	)	
DIRK JOHANN QUINTEN	)	

Kuala Lumpur
17 April 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 70 to 144 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 2022 and of their financial performance and their 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.

....	....
DATO' SRI AMINUL ISLAM BIN ABDUL NOR	DIRK JOHANN QUINTEN

Kuala Lumpur
17 April 2023

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 70 to 144 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory this day of)
17 April 2023)

....
CHEOK TUAN OON
(MIA NO.: CA20682)

Before me,

RAMATHILAGAM A/P T RAMASAMY
(W671)
Commissioner for Oaths

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, which comprise the statements of financial position as at 31 December 2022, 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 70 to 144.

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 2022 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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.

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

<u>The risk</u>

Refer to Note 9 to the financial statements. We focused on this area because the Group and the Company have material amount of trade receivables that amounted to RM1,784,914 and RM1,124,607 respectively. The adequacy of assessment on recoverability of trade receivables require the use of estimates and judgements of the management. The Group and the Company apply a simplified approach in calculating provision for expected credit losses ("ECLs"). Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss provision based on lifetime ECLs at each reporting date. The Group and the Company consider amongst others, their historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

<u>Our response</u>

We have challenged the management's estimate in the provision rate used to provide ECLs allowance on trade receivables. This includes reviewing the ageing of receivables and testing the integrity of ageing. We also checked the recoverability of outstanding receivables through examination of subsequent cash receipts and evaluating the controls relating to credit control and approval process.

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.

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 (cont'd)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 International Standards on Auditing, 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

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

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

LIM CHOOI LING
(NO: 03537/11/2024 (J))
CHARTERED ACCOUNTANT

Kuala Lumpur
17 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	512,990	673,253	227,370	224,710
Investment in subsidiaries	5	-	-	101,492	101,490
Intangible assets	6	-	-	-	-
Other receivable	7	3,852,065	-	-	-
Total non-current assets		4,365,055	673,253	328,862	326,200
Current assets					
Inventories	8	738,453	806,549	569,852	569,852
Trade receivables	9	1,784,914	14,790,385	1,124,607	1,547,133
Other receivables	7	13,639,558	3,691,562	4,388,966	304,761
Amount due from subsidiaries	10	-	-	8,808,279	7,976,170
Tax recoverable		277,264	3,861	-	-
Cash and cash equivalents	11	27,435,474	9,386,501	27,337,193	4,118,437
Total current assets		43,875,663	28,678,858	42,228,897	14,516,353
TOTAL ASSETS		48,240,718	29,352,111	42,557,759	14,842,553
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:-					
Share capital	12	108,580,869	81,746,389	108,580,869	81,746,389
Warrant reserve	13	-	8,400,460	-	8,400,460
Other reserve	13	-	(8,400,460)	-	(8,400,460)
Accumulated losses		(67,969,154)	(59,182,570)	(68,340,300)	(69,178,591)
		40,611,715	22,563,819	40,240,569	12,567,798
Non-controlling interests		(112,076)	956,190	-	-
Total equity		40,499,639	23,520,009	40,240,569	12,567,798

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(CONT'D)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Current liabilities					
Trade payables	14	5,477,763	3,967,014	351,200	1,300,792
Other payables	15	2,090,325	1,096,097	1,792,999	800,972
Lease liabilities	16	172,991	172,991	172,991	172,991
Tax payable		-	596,000	-	-
Total current liabilities/Total liabilities		7,741,079	5,832,102	2,317,190	2,274,755
TOTAL EQUITY AND LIABILITIES		48,240,718	29,352,111	42,557,759	14,842,553

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	17	13,089,435	23,599,693	1,875,891	1,752,237
Cost of sales		(12,058,218)	(20,410,392)	(1,778,386)	(1,556,849)
Gross profit		1,031,217	3,189,301	97,505	195,388
Other income		178,347	1,712,606	10,200	166,419
Administrative expenses		(4,981,212)	(6,035,513)	(4,331,354)	(5,141,046)
Net gain/(loss) on impairment of non-financial assets		617	(103,677)	-	(979,908)
Net (loss)/gain on impairment of financial assets		(6,063,094)	(5,405,848)	4,817,035	(2,835,275)
Other expenses		(73,087)	(2,748,298)	(50,620)	-
Operating (loss)/profit		(9,907,212)	(9,391,429)	542,766	(8,594,422)
Finance income	18	206,389	177,919	303,194	160,498
Finance costs	19	(7,669)	(7,792)	(7,669)	(7,792)
(Loss)/Profit before tax	20	(9,708,492)	(9,221,302)	838,291	(8,441,716)
Tax expense	21	(116,355)	(1,176,644)	-	(599,644)
(Loss)/Profit for the financial year/ Total comprehensive (loss)/income for the financial year		(9,824,847)	(10,397,946)	838,291	(9,041,360)
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(8,764,593)	(11,297,832)	838,291	(9,041,360)
Non-controlling interests		(1,060,254)	899,886	-	-
		(9,824,847)	(10,397,946)	838,291	(9,041,360)
Loss per share attributable to owners of the Company:-					
Basic loss per share (sen)	22	(0.34)	(0.53)		
Diluted loss per share (sen)	22	(0.34)	(0.47)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
		Attributable to Owners of the Company	Non-distributable					
Group								
Balance at 1 January 2021		74,316,236	16,286,765	(16,286,765)	(47,884,738)	26,431,498	30,244	26,461,742
Total comprehensive loss for the financial year		-	-	-	(11,297,832)	(11,297,832)	899,886	(10,397,946)
Transactions with owners:-								
Issuance of shares pursuant to warrant exercise	12, 13	7,430,153	(7,886,305)	7,886,305	-	7,430,153	-	7,430,153
Acquisition of a subsidiary		-	-	-	-	-	(22,450)	(22,450)
Subscription of shares in a subsidiary by Non-controlling interest		-	-	-	-	-	48,510	48,510
Total transactions with owners		7,430,153	(7,886,305)	7,886,305	-	7,430,153	26,060	7,456,213
Balance at 31 December 2021		81,746,389	8,400,460	(8,400,460)	(59,182,570)	22,563,819	956,190	23,520,009
Total comprehensive loss for the financial year		-	-	-	(8,764,593)	(8,764,593)	(1,060,254)	(9,824,847)
Transactions with owners:-								
Issuance of shares pursuant to warrant exercise	12, 13	9,169,725	(8,400,460)	8,400,460	-	9,169,725	-	9,169,725
Issuance of shares pursuant to private placement	12	18,179,671	-	-	-	18,179,671	-	18,179,671
Share issuance expenses	12	(514,916)	-	-	-	(514,916)	-	(514,916)
Change in ownership interest in subsidiaries		-	-	-	(21,991)	(21,991)	(8,012)	(30,003)
Total transactions with owners		26,834,480	(8,400,460)	8,400,460	(21,991)	26,812,489	(8,012)	26,804,477
Balance at 31 December 2022		108,580,869	-	-	(67,969,154)	40,611,715	(112,076)	40,499,639

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

(CONT'D)

	Note	Share capital RM	|------- Non-distributable ------- Warrant reserve RM	-------| Other reserve RM	|-Distributable-| Accumulated losses RM	Total equity RM
Company						
Balance at 1 January 2021		74,316,236	16,286,765	(16,286,765)	(60,137,231)	14,179,005
Total comprehensive loss for the financial year		-	-	-	(9,041,360)	(9,041,360)
Transaction with owners:-						
Issuance of shares pursuant to warrant exercise	12, 13	7,430,153	(7,886,305)	7,886,305	-	7,430,153
Balance at 31 December 2021		81,746,389	8,400,460	(8,400,460)	(69,178,591)	12,567,798
Total comprehensive income for the financial year		-	-	-	838,291	838,291
Transaction with owners:-						
Issuance of shares pursuant to warrant exercise	12, 13	9,169,725	(8,400,460)	8,400,460	-	9,169,725
Issuance of shares persuant to private placement	12	18,179,671	-	-	-	18,179,671
Share issuance expenses	12	(514,916)	-	-	-	(514,916)
Balance at 31 December 2022		108,580,869	-	-	(68,340,300)	40,240,569

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
OPERATING ACTIVITIES				
(Loss)/Profit before tax	(9,708,492)	(9,221,302)	838,291	(8,441,716)
Adjustments for:-				
Net impairment loss/(gain) on impairment of financial assets:-				
- trade receivables	3,399,798	2,863,694	(50,954)	(710,422)
- other receivables	2,663,296	2,542,154	-	2,542,154
- amount due from subsidiaries	-	-	(4,766,081)	1,003,543
Bad debts written off	59,860	386,863	50,620	-
Depreciation of property, plant and equipment	407,496	457,484	268,234	271,244
Loss on lease modification	-	4,010	-	-
Loss/(Gain) on disposal of property, plant and equipment	13,227	(589)	-	-
Goodwill written off	-	204,142	-	-
Net gain/(loss) on impairment of non-financial assets:-				
- investment in subsidiaries	-	-	-	979,908
- property, plant and equipment	(617)	103,677	-	-
Intangible assets written off	3,415,060	-	-	-
Interest expenses	7,669	7,792	7,669	7,792
Interest income	(206,389)	(177,919)	(303,194)	(160,498)
Inventories written down	-	2,153,282	-	-
Unrealised (gain)/loss on foreign exchange	(144,732)	(21,785)	18,000	11,840
Waiver of debt on amount due from subsidiaries	-	-	-	13,462
Reversal of impairment loss on intangible assets	(3,415,060)	-	-	-
Reversal of inventories written down	(19,770)	-	-	-
Operating loss before working capital changes	(3,528,654)	(698,497)	(3,937,415)	(4,482,693)
Changes in working capital:-				
Inventories	87,866	140,031	-	9,991
Contract liabilities	-	(75,833)	-	-
Receivables	(6,754,812)	(5,605,263)	1,192,655	417,902
Payables	2,486,977	2,829,072	24,435	400,234
Net cash used in operations	(7,708,623)	(3,410,490)	(2,720,325)	(3,654,566)
Tax paid	(985,758)	(603,148)	-	(599,644)
Net cash used in operating activities	(8,694,381)	(4,013,638)	(2,720,325)	(4,254,210)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
(CONT'D)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash acquired		-	(50,007)	-	(51,000)
Addition investment in subsidiaries		(30,003)	-	(2)	(50,490)
Advance to subsidiaries		-	-	(920,028)	(3,012,236)
Interest received		206,389	177,919	303,194	160,498
Proceeds from disposal of property, plant and equipment		11,051	314,389	-	-
Placement of fixed deposit with a licensed bank		(11,838,000)	-	(11,838,000)	-
Purchase of property, plant and equipment	A	(13,735)	(12,220)	(13,735)	(12,220)
Net cash (used in)/from investing activities		(11,664,298)	430,081	(12,468,571)	(2,965,448)
FINANCING ACTIVITIES					
Interest paid		(7,669)	(7,792)	(7,669)	(7,792)
Subscription of shares in a subsidiary by non-controlling interests		-	48,510	-	-
Proceeds from issuance of shares, net of issuance expense		26,834,480	7,430,153	26,834,480	7,430,153
Repayments of lease liabilities		(257,159)	(263,124)	(257,159)	(263,124)
Net cash from financing activities		26,569,652	7,207,747	26,569,652	7,159,237
CASH AND CASH EQUIVALENTS					
Net changes		6,210,973	3,624,190	11,380,756	(60,421)
Effect of foreign currency translation differences		-	1,702	-	-
Brought forward		9,386,501	5,760,609	4,118,437	4,178,858
Carried forward	B	15,597,474	9,386,501	15,499,193	4,118,437

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Total additions	270,894	269,379	270,894	269,379
Less: Acquired under lease liabilities	(257,159)	(257,159)	(257,159)	(257,159)
Total cash purchase	13,735	12,220	13,735	12,220

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
(CONT'D)

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

B. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Fixed deposit with a licensed bank	11,838,000	-	11,838,000	-
Cash and bank balances	15,597,474	9,386,501	15,499,193	4,118,437
	27,435,474	9,386,501	27,337,193	4,118,437
Less: Deposit pledged	(11,838,000)	-	(11,838,000)	-
	15,597,474	9,386,501	15,499,193	4,118,437

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	At 1.1.2022	Addition	Cash flows	Termination	At 31.12.2022
	RM	RM	RM	RM	RM
Lease liabilities	172,991	257,159	(257,159)	-	172,991

	At 1.1.2021	Addition	Cash flows	Termination	At 31.12.2021
	RM	RM	RM	RM	RM
Lease liabilities	344,155	257,159	(263,124)	(165,199)	172,991

Company

	At 1.1.2022	Addition	Cash flows	At 31.12.2022
	RM	RM	RM	RM
Lease liabilities	172,991	257,159	(257,159)	172,991

	At 1.1.2021	Addition	Cash flows	At 31.12.2021
	RM	RM	RM	RM
Lease liabilities	178,956	257,159	(263,124)	172,991

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2022

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 5, Tower 8, Avenue 5, Horizon 2, 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 whilst those of its subsidiaries are disclosed in Note 5 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 April 2023.

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 2022
(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.

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

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

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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.

2.4 MFRSs

2.4.1 Adoption of 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 amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2022.

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

2.4.2 Standards Issued but Not Yet Effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these new and amended standards, if applicable, when they become effective in the respective financial period.

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

MFRS 17* # and Amendments to MFRS17*#	Insurance Contracts
Amendments to MFRS 17*#	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for financial period beginning on or after 1 January 2024

Amendments to MFRS 16	Leases - Leases Liability in a Sales and Leaseback*#
Amendments to MFRS 101	Presentation of Financial Statements - Non - current liabilities with Covenants*#

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

2.4.2 Standards Issued but Not Yet Effective (cont'd)

Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10* and MFRS 128*#	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Company.
# Not applicable to the Group.

The initial application of the above applicable standards and amendments are not expected to have material financial impacts 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.

2.5.1 Key Sources of Estimation Uncertainty

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

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.

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

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the 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 of the Company's inventories at the reporting date is disclosed in Note 8 to the financial statements.

Provision for expected credit losses ("ECLs") 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 ECLs is the probability-weighted estimate of credit losses which requires the Group's and the Company's judgement. The ECLs 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 ECLs 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.

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

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Provision for expected credit losses ("ECLs") of receivables (cont'd)

The assessment of the correlation between historical observed rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs 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 7, 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.

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.

Deferred tax assets

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

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

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Deferred tax assets (cont'd)

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

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.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's and Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

NOTES TO THE FINANCIAL STATEMENTS
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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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2022
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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.

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 3.16 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
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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 in initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests 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
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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 interests 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment (cont'd)

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:-

Office premises	2 years
Machinery and factory equipment	5 to 10 years
Renovation	5 to 50 years
Furniture, fittings and office equipment	5 to 10 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

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

3.3.1 As a Lessee

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

3.3.1.1 Right-of-use Assets

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

Office premise	1.7 years

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Leases (cont'd)

3.3.1 As a Lessee (cont'd)

3.3.1.1 Right-of-use Assets (cont'd)

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policies for impairment of non-financial assets is set out in Note 3.5 to the financial statements.

3.3.1.2 Lease Liabilities

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

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rates at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

3.3.1.3 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.

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Leases (cont'd)

3.3.2 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.

3.4 Intangible Assets

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.

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

Further disclosures relating to impairment of non-financial assets are also provided in the following notes to the financial statements:-

Note 2.5 - Significant accounting estimates and judgements
Note 3.2 - Property, plant and equipment
Note 3.3.1.1 - Right-of-use assets
Note 3.4 - Intangible assets

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of Non-financial Assets (cont'd)

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

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

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets

3.6.1.1 Initial Recognition and Categorisation

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

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

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

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cashflows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

3.6.1.2 Subsequent Measurement

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

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

At the reporting date, the Group and the Company carry financial assets at amortised cost.

Financial Assets at Amortised Cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade receivables, most of other receivables, amount due from subsidiaries and cash and cash equivalents.

3.6.1.3 Derecognition

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

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

3.6.1.3 Derecognition (cont'd)

In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

3.6.1.4 Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

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

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

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

Impairment for Trade Receivables

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

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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

3.6.1.4 Impairment (cont'd)

Impairment for Financial Assets other than Trade Receivables

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information.

Credit Impaired

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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. 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.

3.6.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's and the Company's financial liabilities included trade and most of other payables.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.2 Financial Liabilities (cont'd)

Subsequent measurement

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

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

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

Financial Liabilities at Amortised cost

Financial liabilities are recognised initially at fair value plus transaction costs and thereafter, at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of not more than 12 months after the reporting date, and the balance is classified as non-current.

Derecognition

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

3.6.3 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
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(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 fixed deposit with a licensed bank which 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.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

3.9 Equity, Reserves and Distribution to Owners

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 year's loss and profit 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 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, 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. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

3.12 Contingencies

3.12.1 Contingent Liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as contingent liability, unless the probability of 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 liabilities unless the probability of outflow of economic benefits is remote.

3.12.2 Contingent Assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.13 Revenue Recognition

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue Recognition (cont'd)

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

(a) good or service (or a bundle of goods or services) that is distinct; or
(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue from contracts with customers is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative standalone selling prices of the goods or services promised in the contract.

The amount of variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:-

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

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

For performance obligations where any one of the above conditions 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.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue Recognition (cont'd)

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.

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 Employee Benefits

3.14.1 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.

3.14.2 Defined Contribution Plans

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

3.15 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Borrowing Costs (cont'd)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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

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

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.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax Expense (cont'd)

3.16.2 Deferred Tax (cont'd)

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.

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 payable to, the taxation authority is included as part of 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.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 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.

3.19 Loss per Ordinary Share

The Group presents basis and diluted loss per share data for its ordinary shares.

Basis loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company over the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company over the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares during the period.

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.

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4. PROPERTY, PLANT AND EQUIPMENT

	Office premise RM	Machinery RM	Renovation RM	Furniture, fittings and office equipment RM	Total RM
Group					
Cost					
At 1 January 2021	681,170	1,286,036	340,793	1,004,392	3,312,391
Additions	257,159	-	-	12,220	269,379
Disposals	-	(1,098)	-	(460,274)	(461,372)
Expiration of lease contract	(328,037)	-	-	-	(328,037)
Termination of lease contract	(353,133)	-	-	-	(353,133)
At 31 December 2021	257,159	1,284,938	340,793	556,338	2,439,228
Additions	257,159	-	-	13,735	270,894
Disposals	-	(1,423)	-	(114,473)	(115,896)
Expiration of lease contract	(257,159)	-	-	-	(257,159)
At 31 December 2022	257,159	1,283,515	340,793	455,600	2,337,067
Accumulated depreciation					
At 1 January 2021	337,008	697,769	89,937	396,201	1,520,915
Charge for the financial year	260,672	61,186	92,243	43,383	457,484
Disposals	-	(403)	-	(147,169)	(147,572)
Expiration of lease contract	(328,037)	-	-	-	(328,037)
Termination of lease contract	(183,924)	-	-	-	(183,924)
At 31 December 2021	85,719	758,552	182,180	292,415	1,318,866
Charge for the financial year	257,159	34,780	34,080	81,477	407,496
Disposals	-	(806)	-	(90,812)	(91,618)
Expiration of lease contract	(257,159)	-	-	-	(257,159)
At 31 December 2022	85,719	792,526	216,260	283,080	1,377,585
Accumulated impairment losses					
At 1 January 2021/31 December 2021	-	447,109	-	-	447,109
Reversal for the financial year	-	(617)	-	-	(617)
At 31 December 2022	-	446,492	-	-	446,492
Net carrying amount					
At 31 December 2022	171,440	44,497	124,533	172,520	512,990
At 31 December 2021	171,440	79,277	158,613	263,923	673,253

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

	Office premise RM	Machinery RM	Renovation RM	Furniture, fittings and office equipment RM	Total RM
Company					
Cost					
At 1 January 2021	328,037	599	16,045	37,786	382,467
Additions	257,159	-	-	12,220	269,379
Expiration of lease contract	(328,037)	-	-	-	(328,037)
At 31 December 2021	257,159	599	16,045	50,006	323,809
Additions	257,159	-	-	13,735	270,894
Expiration of lease contract	(257,159)	-	-	-	(257,159)
At 31 December 2022	257,159	599	16,045	63,741	337,544
Accumulated depreciation					
At 1 January 2021	153,084	70	786	1,952	155,892
Charge for the financial year	260,672	120	1,604	8,848	271,244
Expiration of lease contract	(328,037)	-	-	-	(328,037)
At 31 December 2021	85,719	190	2,390	10,800	99,099
Charge for the financial year	257,159	120	1,605	9,350	268,234
Expiration of lease contract	(257,159)	-	-	-	(257,159)
At 31 December 2022	85,719	310	3,995	20,150	110,174
Net carrying amount					
At 31 December 2022	171,440	289	12,050	43,591	227,370
At 31 December 2021	171,440	409	13,655	39,206	224,710

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

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Office premises	171,440	171,440	171,440	171,440

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5. INVESTMENT IN SUBSIDIARIES

	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost	6,059,658	6,059,658
Addition during the financial year	2	-
	6,059,660	6,059,658
Less: Accumulated impairment losses		
Brought forward	5,958,168	4,978,260
Addition	-	979,908
Reversal of impairment losses	(3,840,707)	-
Carried forward	2,117,461	5,958,168
	3,942,199	101,490
Less: Strike-off during the financial year	(3,840,707)	-
	101,492	101,490

Investment in subsidiaries are impaired at reporting date when the recoverable amount of the subsidiaries is lower than cost of investment.

The recoverable amount was determined based on fair value less cost of disposal.

Details of the subsidiaries, all of which principal place of business in Malaysia, are as follows:-

Name of company	Effective equity interest 2022	Effective equity interest 2021	Principal activities
Direct subsidiaries			
G.A. Blue Apparel Sdn. Bhd.	-	100%	Dormant
Delison Sdn. Bhd.	-	100%	Dormant
Lensan Sdn. Bhd.	-	100%	Dormant
Sebico Jaya Trading Co. Sdn. Bhd.	-	100%	Dormant
AG3 Sdn. Bhd. ("AG3SB")	100%	60%	Dormant
Atilze Solutions Sdn. Bhd. ("ASSB")	100%	100%	Dormant
Atilze Digital Sdn. Bhd. ("ADSB")	100%	100%	Supplier of telecommunication solutions, services and products.
Atilze AI Sdn. Bhd. ("AAISB")	100%	100%	Provision of information technology service activities.
G3 Technologies Sdn. Bhd. ("GTSB")	100%	100%	Dormant

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which principal place of business in Malaysia, are as follows (cont'd):-

Name of company	Effective equity interest 2022	Effective equity interest 2021	Principal activities
Direct subsidiaries (cont'd)			
Bestinet Healthcare Sdn. Bhd. ("BHSB")	51%	51%	Premier healthcare distributor for hospital equipment, pharmaceuticals and hospital consumables.
Indirect subsidiary			
Subsidiary of ADSB			
Connected Mobility Technologies Sdn. Bhd. ("CMTSB")	100%	55%	Dormant

Acquisition of additional equity in subsidiaries

2022

(i) On 5 September 2022, the Company completed the acquisition of 40 ordinary shares representing 40% equity interest in AG3SB from its non-controlling interest for a cash consideration of RM2. As a result of these acquisition, AG3SB become wholly-owned subsidiary of the Company.

(ii) On 9 December 2022, ADSB completed the acquisition of 45,000 ordinary shares representing 45% equity interest in CMTSB from its non-controlling interest for a cash consideration of RM30,001. As a result of these acquisition, the subsidiary become wholly-owned subsidiary of ADSB.

The following summarises the effect of changes in the equity interest in subsidiaries that are attributable to owners of the Company as at 31 December 2022:-

	AG3SB RM	CMTSB RM	Total RM
Equity interest at 1 January 2022	(11,004)	22,507	11,503
Effect of increased in Company's ownership interest	(7,407)	15,419	8,012
Share of comprehensive income	(3,380)	(1,156)	(4,536)
Equity interest at 31 December 2022	(21,791)	36,770	14,979

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of a subsidiary

2021

(i) On 8 September 2021, the Company has acquired 510 ordinary shares representing 51% equity interest in Bestinet Healthcare Sdn. Bhd. ("BHSB"), a private limited liability company incorporated in Malaysia, for a total cash consideration of RM51,000. Goodwill of RM74,366 arose as a result of this acquisition and is written off during the financial year.

(ii) On 24 December 2021, the Company subscribed for an additional 50,490 ordinary shares in BHSB for a total cash consideration of RM50,490, the Company owns 51% equity interest in BHSB.

The fair value of the identifiable assets and liabilities of the subsidiary as at the date of acquisition were as follows:-

	2021 RM
BHSB	
Inventories	138,000
Other receivables	2,000
Cash and cash equivalent	993
Total assets	140,993
Other payables/Total liability	(186,809)
Total identifiable liability	(45,816)
Less: Non-controlling interest	22,450
Less: Goodwill	74,366
Total cash consideration	51,000
Less: Cash and cash equivalent	(993)
Net cash outflows arising from acquisition of a subsidiary	50,007

Impact of the acquisition on the Consolidated Statement of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary has contributed RM21,437,844 and RM1,922,432 to the Group's revenue and profit for the year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the year would have been RM21,437,844 and RM1,875,616 respectively.

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Strike-off of subsidiaries

2022

On 5 August 2022, the Group had strike-off of its 100% equity interest in Delison Sdn. Bhd., G.A. Blue Apparel Sdn. Bhd., Lensan Sdn. Bhd. and Sebico Jaya Trading Co. Sdn. Bhd. pursuant to Section 550 of Companies Act 2016. The subsidiaries were previously reported as part of the apparel segment.

There is no effect on the deconsolidation of the subsidiaries on the financial position of the Group as at the date of deconsolidation.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") were as follow:-

2022	BHSB	Others individually immaterial subsidiaries	Total
Percentage of ownership interest and voting interest (%)	49	-	
Carrying amount of NCI (RM)	(112,076)	-	(112,076)
Loss allocated to NCI (RM)	(1,057,188)	(3,066)	(1,060,254)
2021			
Percentage of ownership interest and voting interest (%)	49	40 - 45	
Carrying amount of NCI (RM)	945,112	11,078	956,190
Profit/(Loss) allocated to NCI (RM)	919,052	(19,166)	899,886

The summary of financial information before intra-group elimination for the Group's subsidiary that has material non-controlling interests is as below:-

	2022 RM	2021 RM
BHSB		
Financial position as at 31 December		
Current assets	13,815,950	13,260,322
Current liabilities	(13,997,860)	(11,284,706)
Net (liabilities)/assets	(181,910)	1,975,616
Summary of financial performance for the financial year/period ended 31 December		
(Loss)/Profit for the financial year/period/Total comprehensive (loss)/income	(2,157,526)	1,875,616

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiary that has material non-controlling interests is as below (cont'd):-

	2022 RM	2021 RM
BHSB		
Summary of cash flows for the financial year/ period ended 31 December		
Net cash outflow from operating activities	(1,027,965)	(7,768,200)
Net cash inflow from financing activities	725,211	8,071,359
Net cash (outflow)/inflow	(302,754)	303,159

6. INTANGIBLE ASSETS

	Development costs RM	Total RM
Group		
Cost		
At 1 January 2021/31 December 2021	7,186,484	7,186,484
Written off	(7,186,484)	(7,186,484)
At 31 December 2022	-	-
Accumulated amortisation		
At 1 January 2021/31 December 2021	3,771,424	3,771,424
Written off	(3,771,424)	(3,771,424)
At 31 December 2022	-	-
Accumulated impairment loss		
At 1 January 2021/31 December 2021	3,415,060	3,415,060
Reversal	(3,415,060)	(3,415,060)
At 31 December 2022	-	-
Net carrying amount		
At 31 December 2022	-	-
At 31 December 2021	-	-

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6. INTANGIBLE ASSETS (CONT'D)

Descriptions of the intangible assets

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 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.

In prior financial year, 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 business plan.
- A pre-tax discount rate 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.

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7. OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-current				
Non-trade receivables	3,852,065	-	-	-
Current				
Non-trade receivables	15,485,280	3,937,834	3,589,167	3,590,557
Less: Impairment losses				
At 1 January	3,585,296	1,043,142	3,585,296	1,043,142
Addition	2,663,296	2,542,154	-	2,542,154
At 31 December	6,248,592	3,585,296	3,585,296	3,585,296
Carrying amount	9,236,688	352,538	3,871	5,261
Advances to suppliers	3,751,658	2,973,149	3,751,658	-
Refundable deposits	271,584	311,402	260,540	261,402
Prepayments	374,297	49,142	372,897	38,098
GST recoverable	5,331	5,331	-	-
	13,639,558	3,691,562	4,388,966	304,761
Grand total	17,491,623	3,691,562	4,388,966	304,761

In prior financial year, included in the Group's non-trade receivables is an amount of RM40 due from corporate shareholders of a subsidiary of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

Included in the Group's non-trade receivables is an amount of RM2,633 (2021: RM327,832) due from companies in which a Director has interests. The amounts are unsecured, non-interest bearing and repayable on demand.

In prior financial year, included in the Group's deposits is an amount of RM50,000 relating to preliminary consultancy works for an AI Park.

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8. INVENTORIES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trading goods	738,453	806,549	569,852	569,852
Recognised in profit or loss:-				
Inventories recognised as cost of sales	8,344,283	20,330,674	1,732,357	1,478,941
Inventories written down	-	2,153,282	-	-
Reversal of inventories written down	(19,770)	-	-	-

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amount.

9. TRADE RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Gross amount	9,153,174	18,758,847	1,141,189	1,614,669
Less: Impairment losses	(7,368,260)	(3,968,462)	(16,582)	(67,536)
Carrying amount	1,784,914	14,790,385	1,124,607	1,547,133

Trade receivables are non-interest bearing and credit terms are generally ranged from cash term to 90 days (2021: cash term to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the Group's trade receivables is an amount of RM617,464 (2021: RM6,495,590) due from companies in which a Director has interests.

The movements of impairment losses during the financial year is as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At 1 January	3,968,462	1,131,448	67,536	777,958
Charge for the financial year	3,473,515	3,849,483	-	-
Reversal for the financial year	(73,717)	(985,789)	(50,954)	(710,422)
Written off	-	(26,680)	-	-
At 31 December	7,368,260	3,968,462	16,582	67,536

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10. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Amount due from subsidiaries:-		
Gross amount	49,772,810	53,706,782
Less: Impairment losses		
At 1 January	45,730,612	44,727,069
Charge for the financial year	87,919	1,003,543
Reversal during the financial year	(4,854,000)	-
At 31 December	40,964,531	45,730,612
Carrying amount	8,808,279	7,976,170

The amount due from subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand, except for the amount of RM8,808,279 (2021: Nil) bears interest at the rate of 3.50% per annum (2021: non-interest bearing).

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Fixed deposit with a licensed bank	11,838,000	-	11,838,000	-
Cash and bank balances	15,597,474	9,386,501	15,499,193	4,118,437
Presented in statements of financial position	27,435,474	9,386,501	27,337,193	4,118,437
Less: Deposit pledged	(11,838,000)	-	(11,838,000)	-
Presented in statements of cash flows	15,597,474	9,386,501	15,499,193	4,118,437

The fixed deposit with a licensed bank of the Company has been pledged to a bank for banking facilities granted to the Company.

The effective interest rates of the short-term deposits is ranging from 1.15% to 1.30% (2021: 1.67% to 1.72%) per annum.

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12. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid with no par value:-				
At 1 January	2,164,246,748	468,162,362	81,746,389	74,316,236
Allotment of shares pursuant to warrant exercise	305,657,500	93,932,325	9,169,725	7,430,153
Bonus issue	-	1,602,152,061	-	-
Issuance of shares pursuant to private placement	432,849,300	-	18,179,671	-
Share issuance expenses	-	-	(514,916)	-
At 31 December	2,902,753,548	2,164,246,748	108,580,869	81,746,389

During the financial year, the Company has completed a private placement of 432,849,300 ordinary shares at issuance price of RM0.042 per share.

The holders of ordinary shares are 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.

On 25 March 2021, 254,097,873 additional Warrants arising from the adjustment to the number of outstanding Warrants pursuant to the bonus issue and the exercise price of Warrants adjusted from RM0.10 to RM0.03 each. During the financial year, 305,657,500 Warrants were exercised and the remaining Warrants which have not been exercised were expired on 2 October 2022, which is a non-Market Day. The expiry date is the Market Day immediately preceding the said non-Market Day, which is on 30 September 2022.

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

The movements of the warrants are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	310,753,164	150,587,616	8,400,460	16,286,765
Bonus issue	-	254,097,873	-	-
Exercised during the financial year	(305,657,500)	(93,932,325)	(8,252,752)	(7,886,305)
Expired during the financial year	(5,095,664)	-	(147,708)	-
At 31 December	-	310,753,164	-	8,400,460

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. Subsequent to the bonus issue, the exercise price adjusted to RM0.03 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.

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14. TRADE PAYABLES

The trade payables are non-interest bearing and credit terms are generally ranged from cash term to 90 days (2021: cash term to 90 days).

In prior financial year, included in the Group's trade payables is an amount of RM126 due to a company in which a Director has interests.

15. OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-trade payables	643,917	505,181	416,983	301,460
Accrual of expenses	1,442,038	587,669	1,373,376	498,055
Deposit	1,730	1,790	-	-
Sales tax payable	2,640	1,457	2,640	1,457
	2,090,325	1,096,097	1,792,999	800,972

In prior financial year, included in the Group's non-trade payables are amount of RM38,258 due to companies in which a Director has interests. The amounts are unsecured, non-interest bearing and repayable on demand.

16. LEASE LIABILITIES

	Group and Company	
	2022	2021
	RM	RM
Current	172,991	172,991

The maturity analysis of lease liabilities is disclosed in Note 26.2 to the financial statements.

The interest rates of the lease liabilities is 5.46% (2021: 5.46%) per annum.

The total cash outflows for leases for the Group and the Company amounted to RM270,178 (2021: RM273,076).

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16. LEASE LIABILITIES (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of right-of-use assets	257,159	260,672	257,159	260,672
Interest expense	7,669	7,792	7,669	7,792
Leases of low value assets	5,350	2,160	5,350	2,160
	270,178	270,624	270,178	270,624

17. REVENUE

Disaggregated revenue information

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Recognised at a point in time in Malaysia:-				
- Sales of ICT products and solutions	1,892,315	2,161,849	1,875,891	1,752,237
- Sales of healthcare products	11,197,120	21,437,844	-	-
	13,089,435	23,599,693	1,875,891	1,752,237

18. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term deposits	192,485	134,193	192,485	134,060
Cash at bank	13,904	43,726	-	26,438
Interest on intercompany	-	-	110,709	-
	206,389	177,919	303,194	160,498

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19. FINANCE COST

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Interest on lease liabilities	7,669	7,792	7,669	7,792

20. (LOSS)/PROFIT BEFORE TAX

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

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Auditor's remuneration:				
- Statutory audit	105,000	114,000	52,000	49,000
- Other services	5,000	4,000	5,000	4,000
Bad debts written off	59,860	386,863	50,620	-
Bad debts recovered	(3,445)	-	-	-
Depreciation of property, plant and equipment	407,496	457,484	268,234	271,244
Impairment loss on property, plant and equipment	-	103,677	-	-
Intangible assets written off	3,415,060	-	-	-
Loss/(Gain) on disposal of property, plant and equipment	13,227	(589)	-	-
Reversal of impairment loss on intangible assets	(3,415,060)	-	-	-
Reversal of impairment loss on property, plant and equipment	(617)	-	-	-
Realised gain on foreign exchange	(3,034)	(1,173)	-	(110)
Unrealised (gain)/loss on foreign exchange	(144,732)	(21,785)	18,000	11,840

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21. TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax:-				
Current financial year	112,033	596,271	-	-
Under provision in prior financial year	4,322	580,373	-	599,644
	116,355	1,176,644	-	599,644
Deferred tax:-				
Current financial year	-	(5,000)	-	(5,000)
Under recognised in prior financial year	-	5,000	-	5,000
	-	-	-	-
Total expenses	116,355	1,176,644	-	599,644

A reconciliation of tax expense applicable to (loss)/profit 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	
	2022	2021	2022	2021
	RM	RM	RM	RM
(Loss)/Profit before tax	(9,708,492)	(9,221,302)	838,291	(8,441,716)
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(2,330,038)	(2,213,112)	201,190	(2,026,012)
Tax effects in respect of:-				
Income not subject to tax	(68,798)	(439,244)	(1,165,000)	-
Expenses not deductible for tax purposes	1,738,789	1,844,747	241,170	1,213,012
Movement of deferred tax assets not recognised	772,080	1,398,880	722,640	808,000
Under provision of tax expense in prior financial year	4,322	580,373	-	599,644
Under recognised of deferred tax in prior financial year	-	5,000	-	5,000
	116,355	1,176,644	-	599,644

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21. TAX EXPENSE (CONT'D)

The components and movement of deferred tax liabilities and assets presented after appropriate offsetting are as follows:-

	Property, plant and equipment RM	Unutilised business losses RM	Unabsorbed capital allowance RM	Total RM
Group and Company				
At 1.1.2021	-	-	-	-
Recognised during the financial year	10,000	(6,000)	(4,000)	-
At 31.12.2021	10,000	(6,000)	(4,000)	-
Recognised during the financial year	1,000	(1,000)	-	-
At 31.12.2022	11,000	(7,000)	(4,000)	-

Unrecognised deferred tax assets

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment	73,000	156,000	-	-
Unutilised business losses	31,337,000	28,249,000	6,779,000	3,779,000
Unabsorbed capital allowances	1,805,000	1,575,000	11,000	-
Others	2,289,000	2,307,000	-	-
	35,504,000	32,287,000	6,790,000	3,779,000

Deferred tax assets have not been recognised in respect of these items as the Group and the Company may not have sufficient taxable profits to be used to offset.

Effective from year of assessment 2019 as announced in the Annual Budget 2022, the unutilised business losses of the Company as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unutilised business losses will be disregarded.

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21. TAX EXPENSE (CONT'D)

Unutilised business losses for which no deferred tax asset was recognised expire as follows:-

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Year of assessment:-				
2028	12,732,000	12,732,000	-	-
2029	6,749,000	6,749,000	-	-
2030	4,783,000	4,783,000	-	-
2031	3,985,000	3,985,000	3,779,000	3,779,000
2032	3,088,000	-	3,000,000	-
	31,337,000	28,249,000	6,779,000	3,779,000

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:-

	Group 2022 RM	Group 2021 RM
Loss attributable to owners of the Company	(8,764,593)	(11,297,832)
Weighted average number of ordinary shares (unit)	2,583,234,349	2,148,813,776
Basic loss per share (sen)	(0.34)	(0.53)

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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:-

	Group	
	2022 RM	2021 RM
Loss attributable to owners of the Company	(8,764,593)	(11,297,832)
Weighted average number of ordinary shares (unit)	2,583,234,349	2,148,813,776
Effects of warrants outstanding (unit)	-	261,686,875
	2,583,234,349	2,410,500,651
Diluted loss per share (sen)	(0.34)	(0.47)

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries and other emoluments	2,073,778	2,323,819	1,920,454	2,130,813
Defined contribution plans	155,976	211,394	143,739	186,464
Social security contribution	11,067	13,546	9,116	11,842
Directors' fee	189,167	251,916	189,167	251,916
	2,429,988	2,800,675	2,262,476	2,581,035

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23. EMPLOYEE BENEFITS EXPENSE (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors of the Company:-				
Existing Directors				
- Salaries and other emoluments	645,676	493,406	645,676	493,406
- Defined contribution plans	3,600	-	3,600	-
- Social security contribution	705	593	705	593
- Directors' fee	29,167	57,378	29,167	57,378
	679,148	551,377	679,148	551,377
Non-executive Directors of the Company:-				
Existing Directors				
- Salaries and other emoluments	59,000	-	59,000	-
- Directors' fee	160,000	132,378	160,000	132,378
	219,000	132,378	219,000	132,378
Past Directors of the Company:-				
- Salaries and other emoluments	-	123,280	-	123,280
- Defined contribution plans	-	14,789	-	14,789
- Social security contribution	-	471	-	471
- Directors' fee	-	62,160	-	62,160
	-	200,700	-	200,700
Executive Directors of the subsidiaries:-				
Existing Directors				
- Defined contribution plans	-	5,850	-	-
Total Directors' remuneration	898,148	890,305	898,148	884,455

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24. RELATED PARTY DISCLOSURES

(a) Related party transactions

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Sales to related parties	617,464	393,048	-	24,280
Sales of property, plant and equipment to related parties	-	314,303	-	-
Interest charged to a subsidiary	-	-	110,709	-
Payment on behalf and reimbursements to subsidiaries	-	-	809,319	113,845

The Group and the Company undertakes the above transactions on agreed terms and prices with its related parties in the normal course of business.

(b) The outstanding balances arising from related party transactions at the reporting date are disclosed in Notes 7, 9, 10, 14 and 15 to the financial statements.

(c) Key management personnel are 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.

Key management includes all the Directors of the Company and certain members of senior management of the Group.

The remunerations of the Directors is disclosed in Note 23 to the financial statements.

The emoluments of other key management personnel are as follow:-

	Group and Company	
	2022 RM	2021 RM
Salaries and other emoluments	342,103	312,095
Defined contribution plans	41,040	37,440
Social security contribution	899	828
	384,042	350,363

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25. 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.

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

(i)	Information, communications and technology ("ICT")	Supply of telecommunication solutions, services and related products.
(ii)	Healthcare	Premier healthcare distributor for hospital equipment, pharmaceuticals and hospital consumables.

NOTES TO THE FINANCIAL STATEMENTS
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25. SEGMENTAL INFORMATION (CONT'D)

Business segments

	Note	ICT RM	Healthcare RM	Total RM	Elimination RM	Total RM
Group						
2022						
Revenue:						
External sales		1,892,315	11,197,120	13,089,435	-	13,089,435
Results:						
Finance income		317,098	-	317,098	(110,709)	206,389
Finance costs		(7,669)	(110,709)	(118,378)	110,709	(7,669)
Depreciation of property, plant and equipment		(407,496)	-	(407,496)	-	(407,496)
Other non-cash (expenses)/income	A	1,295,019	(2,500,000)	(1,204,981)	(4,766,081)	(5,971,062)
Tax expense		(833)	(115,522)	(116,355)	-	(116,355)
Segment results	B	(191,646)	(2,046,817)	(2,238,463)	(7,785,104)	(10,023,567)
Assets:						
Segment assets	C	43,367,598	13,543,262	56,910,860	(8,947,406)	47,963,454
Additions to non-current assets	D	270,894	-	270,894	-	270,894
Liabilities:						
Segment liabilities	E	45,599,435	13,997,860	59,597,295	(52,029,207)	7,568,088

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

25. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Note	Investment holding RM	Apparels RM	ICT RM	Healthcare RM	Total RM	Elimination RM	Total RM
Group								
2021								
Revenue:								
External sales		-	-	2,161,849	21,437,844	23,599,693	-	23,599,693
Results:								
Finance income		106,250	-	71,669	-	177,919	-	177,919
Finance costs		(7,792)	-	-	-	(7,792)	-	(7,792)
Depreciation of property, plant and equipment		(271,244)	-	(186,240)	-	(457,484)	-	(457,484)
Other non-cash income/(expenses)	A	(3,545,697)	-	(5,531,752)	-	(9,077,449)	842,001	(8,235,448)
Tax expense/(income)		(599,644)	19,271	(271)	(596,000)	(1,176,644)	-	(1,176,644)
Segment results	B	(7,012,227)	55,117	(7,410,304)	1,875,616	(12,491,798)	1,923,725	(10,568,073)
Assets:								
Segment assets	C	12,420,807	-	11,744,471	13,260,322	37,425,600	(8,077,350)	29,348,250
Additions to non-current assets	D	269,379	-	-	-	269,379	-	269,379
Liabilities:								
Segment liabilities	E	-	-	53,348,663	10,688,706	64,037,369	(58,974,258)	5,063,111

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

25. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

Notes to the nature of adjustment and eliminations arrive at amount reported in the consolidated financial statement.

A. Other major non-cash income/(expenses) consist of the following items are presented in the respective notes to the financial statements:-

	Group	
	2022 RM	2021 RM
Impairment loss on financial assets	(6,063,094)	(5,405,848)
Bad debts written off	(59,860)	(386,863)
Loss on lease modification	-	(4,010)
Goodwill written off	-	(204,142)
Impairment loss on property, plant and equipment	-	(103,677)
Intangible assets written off	3,415,000	-
(Loss)/Gain on disposal of property, plant and equipment	(13,227)	589
Inventories written down	-	(2,153,282)
Reversal of impairment loss on intangible assets	(3,415,000)	-
Reversal of impairment loss on property, plant and equipment	617	-
Reversal of inventories written down	19,770	-
Unrealised gain on foreign exchange	144,732	21,785
	(5,971,062)	(8,235,448)

B. The following items are added to/(deducted from) segment loss to arrive at "loss after tax" presented in the consolidated statements of profit or loss:-

	Group	
	2022 RM	2021 RM
Segment loss	(10,023,567)	(10,568,073)
Finance income	206,389	177,919
Finance costs	(7,669)	(7,792)
	(9,824,847)	(10,397,946)

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

25. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

C. The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial positions:-

	Group 2022 RM	Group 2021 RM
Segment assets	47,963,454	29,348,250
Tax recoverable	277,264	3,861
	48,240,718	29,352,111

D. Additions to non-current assets other than financial instruments consist of:-

	Group 2022 RM	Group 2021 RM
Property, plant and equipment	270,894	269,379

E. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:-

	Group 2022 RM	Group 2021 RM
Segment liabilities	7,568,088	5,063,111
Lease liabilities	172,991	172,991
Tax payables	-	596,000
	7,741,079	5,832,102

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

25. SEGMENTAL INFORMATION (CONT'D)

Geographical segments

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

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**	
	2022 RM	2021 RM	2022 RM	2021 RM
Group				
Segment results:-				
Malaysia	13,089,435	23,599,693	512,990	673,253

Information about major customers

There were no any major customers with revenue equal or more than 10% of the Group's revenue during the financial year.

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

	Segment	RM	%
2021			
Customer A	Healthcare	21,413,844	91

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

26. FINANCIAL INSTRUMENTS

26.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities at amortised costs ("AC"):-

	2022 RM	2021 RM
Group		
Financial assets		
Trade receivables	1,784,914	14,790,385
Other receivables	17,111,995	3,637,089
Cash and cash equivalents	27,435,474	9,386,501
	46,332,383	27,813,975
Financial liabilities		
Trade payables	5,477,763	3,967,014
Other payables	2,087,685	1,094,640
	7,565,448	5,061,654
Company		
Financial assets		
Trade receivables	1,124,607	1,547,133
Other receivables	4,016,069	266,663
Amount due from subsidiaries	8,808,279	7,976,170
Cash and cash equivalents	27,337,193	4,118,437
	41,286,148	13,908,403
Financial liabilities		
Trade payables	351,200	1,300,792
Other payables	1,790,359	799,515
	2,141,559	2,100,307

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 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:-

<u>Receivables</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Receivables (cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage their debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group's and the Company's debt recovery are as follows:-

(a) Above 30 days past due after credit term, the Group and the Company will start to initiate together with treasury team a structured debt recovery process which is monitored by the sales management team; and

(b) The Group and the Company will commence a legal proceeding against the customers who does not adhere to the restructure of the repayment scheme.

The Group and the Company use provision matrix to measure ECLs for all the past due debts. Credit term which are past due more than 120 days will be considered as credit impaired.

The Group and the Company assessed the risk or loss based on the following factors:-

(i) Overall past trend payments of customers;
(ii) Financial performances of each individual customers; and
(iii) Gross domestic product rate.

None of the Group's and the Company's financial assets are secured by collateral or other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Receivables (cont'd)

Recognition and measurement of impairment loss (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:-

	Gross carrying amount	Loss allowance Collective	Loss allowance Individual	Net balances
Group	RM	RM	RM	RM
2022				
Current (Not past due)	46,640	-	-	46,640
1-30 days past due	1,703,263	(16,300)	-	1,686,963
More than 120 days past due	7,403,271	(28,962)	(7,322,998)	51,311
	9,153,174	(45,262)	(7,322,998)	1,784,914
2021				
Current (Not past due)	1,868,177	-	-	1,868,177
1-30 days past due	3,693,919	(2,623)	-	3,691,296
31-60 days past due	5,185,542	(358)	-	5,185,184
61-90 days past due	27,220	(289)	-	26,931
91-120 days past due	24,320	(344)	-	23,976
More than 120 days past due	7,959,669	(13,302)	(3,951,546)	3,994,821
	18,758,847	(16,916)	(3,951,546)	14,790,385
Company				
2022				
Current (Not past due)	46,640	-	-	46,640
1-30 days past due	1,085,799	(16,300)	-	1,069,499
More than 120 days past due	8,750	(282)	-	8,468
	1,141,189	(16,582)	-	1,124,607
2021				
Current (Not past due)	24,900	-	-	24,900
1-30 days past due	742,125	(2,623)	-	739,502
31-60 days past due	50,700	(358)	-	50,342
61-90 days past due	27,220	(289)	-	26,931
91-120 days past due	24,320	(344)	-	23,976
More than 120 days past due	745,404	(13,302)	(50,620)	681,482
	1,614,669	(16,916)	(50,620)	1,547,133

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(a) Credit Risk (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 80% (2021: 88%) of total Group's trade receivables which were due from 2 (2021: 2) major customers and 99% (2021: 92%) of total Company's trade receivables which were due from 2 (2021: 2) major customers.

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 7, 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.

Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(a) Credit Risk (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
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26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(b) Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as below:-

	Carrying amount RM	← Total RM	Contractual cash flows Current Within 1 year RM	Non-current 2 to 5 years RM →
2022				
Group				
Non-derivative financial liabilities				
Trade payables	5,477,763	5,477,763	5,477,763	-
Other payables	2,087,685	2,087,685	2,087,685	-
Lease liabilities	172,991	176,552	176,552	-
	7,738,439	7,742,000	7,742,000	-
Company				
Non-derivative financial liabilities				
Trade payables	351,200	351,200	351,200	-
Other payables	1,790,359	1,790,359	1,790,359	-
Lease liabilities	172,991	176,552	176,552	-
	2,314,550	2,318,111	2,318,111	-
2021				
Group				
Non-derivative financial liabilities				
Trade payables	3,967,014	3,967,014	3,967,014	-
Other payables	1,094,640	1,094,640	1,094,640	-
Lease liabilities	172,991	176,552	176,552	-
	5,234,645	5,238,206	5,238,206	-
Company				
Non-derivative financial liabilities				
Trade payables	1,300,792	1,300,792	1,300,792	-
Other payables	799,515	799,515	799,515	-
Lease liabilities	172,991	176,552	176,552	-
	2,273,298	2,276,859	2,276,859	-

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(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 and Company	
	2022	2021
	RM	RM
Fixed rate instrument		
Financial asset		
Fixed deposit with a licensed bank	11,838,000	-
Financial liability		
Lease liabilities	(172,991)	(172,991)
Net financial asset	11,665,009	(172,991)

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
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(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (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") and Indonesian Rupiah ("IDR").

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:-

	USD RM	SGD RM	IDR RM
2022			
Group			
Financial assets			
Trade receivables	6,454,918	-	-
Cash and cash equivalents	24,987	-	-
	6,479,905	-	-
Financial liabilities			
Trade payables	(351,249)	(9,184)	-
Other payables	-	-	(2,228)
Net exposure	6,128,656	(9,184)	(2,228)
Company			
Financial liability			
Trade payables	(351,200)	-	-
Net exposure	(351,200)	-	-

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(d) Foreign Currency Risk (cont'd)

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 (cont'd):

	USD RM	SGD RM	IDR RM
2021			
Group			
Financial assets			
Trade receivables	6,486,840	-	-
Other receivables	9,240	-	-
Cash and cash equivalents	51,154	-	-
	6,547,234	-	-
Financial liabilities			
Trade payables	(333,249)	(9,184)	-
Other payables	-	-	(2,228)
Net exposure	6,213,985	(9,184)	(2,228)
Company			
Financial liability			
Trade payables	(333,200)	-	-
Net exposure	(333,200)	-	-

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% (2021: 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
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(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial Risk Management (cont'd)

(d) Foreign Currency Risk (cont'd)

Sensitivity Analysis for Foreign Currency Risk (cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
USD	612,866	621,398	(35,120)	(33,320)
SGD	(92)	(918)	-	-
IDR	(223)	(223)	-	-
	612,551	620,257	(35,120)	(33,320)

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.

27.2 Fair Value Hierarchy

There is no fair value hierarchy has been disclosed as the Company does not have financial instruments measured at fair value.

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 rations 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.

NOTES TO THE FINANCIAL STATEMENTS
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29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 5 May 2022, the Company announced the award of RM118million contract to design, supply, install, testing and commissioning for Airport Integrated Security and Safety System at KLIA and KLIA 2 from Malaysia Airports (Sepang) Sdn. Bhd..

On 24 August 2022, the Company had announced that the Exercise Rights of the Warrants 2017/2022 will expire on 2 October 2022, which is a non-Market Day, the expiry date is the Market Day immediately preceding the said non-Market Day, which is on 30 September 2022. The Warrants which are not exercised on the Expiry Date were lapse and become null and void and were thereafter cease to be valid for any purpose.

30. SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

On 17 January 2023, the Company had proposed the followings to shareholders:-

(a) proposed variation of the utilisation of proceeds raised from the private placement which was completed on 27 June 2022 to the current intended utilisation; and

(b) proposed private placement of up to 870,826,000 new ordinary shares in the Company, representing 30% of total issued shares.

The above proposals were approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 March 2023.

ANALYSIS OF SHAREHOLDINGS

AS AT 22 MARCH 2023

A. Total Number of issued shares : 2,902,753,548
Class of Shares : Ordinary Shares
Voting Rights : On a poll – One vote for one ordinary share

B. ANALYSIS OF SHAREHOLDINGS AS AT 22 MARCH 2023

Size of shareholdings	No. of shareholders	% of total shareholders	No. of shares	% of total number of issued shares
1 - 99	28	0.3254	633	0.000 ^
100 – 1,000	469	5.4503	209,888	0.0072
1,001- 10,000	1,994	23.1726	12,907,928	0.4447
10,001 - 100,000	4,332	50.3428	182,874,799	6.3000
100,001 – 145,137,676 *	1,780	20.6856	1,855,885,800	63.9354
145,137,677and above **	2	0.0232	850,874,500	29.3127
Total	**8605**	**100.0000**	**2,902,753,548**	**100.0000**

REMARK : * - Less than 5% of issued shares
: ** - 5% and above of issued shares
: ^ - negligible

C. SUBSTANTIAL SHAREHOLDERS AS AT 22 MARCH 2023

	<-------------------- Number of Shares Held		-------------------->	
Name	**Direct**	**%**	**Deemed**	**%**
Global Man Capital Sdn Bhd	528,674,800	18.2129	–	–
Datuk Wan Khalik Bin Wan Muhammad	–	–	528,674,800 (a)	18.2129
Datuk Haji Khan Bin Mohd Akram Khan	–	–	528,674,800 (a)	18.2129
Greenfield Hills Sdn Bhd	322,199,700	11.1000	–	–
Dato' Sri Aminul Islam Bin Abdul Nor			517,888,900 (b)	17.8413
Muhammad Qhailiz Norman Bin Aminul Islam	–	–	322,199,700 (c)	11.1000

Notes:-

(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 Dream Life Travels Sdn Bhd, Databliss Sdn Bhd and Instacloud Sdn Bhd pursuant to Section 8 of the Companies Act 2016; and through Greenfield Hills Sdn Bhd via his spouse Datin Rusilawati Binti Mohamed Yusoff and his son, Muhammad Qhailiz Norman Bin Aminul Islam.*

(c) *Deemed interested by virtue of his shareholdings in Greenfield Hills Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

D. DIRECTORS' SHAREHOLDINGS AS AT 22 MARCH 2023

	<------------------- Number of Shares Held ------------------->			
Name	Direct	%	Deemed	%
Dato' Sri Alias Bin Ahmad	–	–	–	–
Dato' Sri Aminul Islam Bin Abdul Nor	–	–	517,888,900 [a]	17.8413
Dirk Johann Quinten	–	–	–	–
Kunal Tayal	–	–	–	–
Dr. Salihin Bin Abang	–	–	–	–

Note:-

(a) Deemed interested by virtue of his shareholdings in Dream Life Travels Sdn Bhd, Databliss Sdn Bhd and Instacloud Sdn Bhd pursuant to Section 8 of the Companies Act 2016; and through Greenfield Hills Sdn Bhd via his spouse Datin Rusilawati Binti Mohamed Yusoff and his son, Muhammad Qhailiz Norman Bin Aminul Islam.

LIST OF TOP 30 SHAREHOLDERS AS AT 22 MARCH 2023

NO.	SHAREHOLDER	SHARES	%
1.	GLOBAL MAN CAPITAL SDN BHD	528,674,800	18.2129
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREENFIELD HILLS SDN BHD	322,199,700	11.0998
3.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DREAM LIFE TRAVELS SDN BHD (THIRD PARTY)	84,715,200	2.9184
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STERLING AMBIENCE SDN BHD (THIRD PARTY)	84,000,000	2.8938
5.	M & A NOMINEE (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR SURESH KUMAR A/L NAGORUAN	80,000,000	2.7560
6.	BYTECLOUD SDN BHD	79,882,800	2.7520
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATABLISS SDN BHD (THIRD PARTY)	71,304,800	2.4565
8.	M & A NOMINEE (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR BASTIEN BIN ONN	70,000,000	2.4115
9.	M & A NOMINEE (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR SAIED MOHAMED BIN MOHAMED ARIF	68,849,300	2.3719
10.	MEDINIS SDN BHD	61,570,000	2.1211
11.	LEE CHOON HOOI	59,237,000	2.0407
12.	LOH YIM QUIN	48,206,500	1.6607

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

LIST OF TOP 30 SHAREHOLDERS AS AT 22 MARCH 2023 (CONT'D)

NO.	SHAREHOLDER	SHARES	%
13.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)	47,619,000	1.6405
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL	40,000,000	1.3780
15.	INSTACLOUD SDN BHD	39,669,200	1.3666
16.	YEOH SWEE THING	23,800,000	0.8199
17.	PROVEN VENTURE CAPITAL PLT	23,715,000	0.8170
18.	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MANIKANDAMURTHY VELAYOUDAM	22,633,200	0.7797
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EVEREGION SDN BHD	20,000,000	0.6890
20.	TAN CHONG SENG	14,000,000	0.4823
21.	WONG CHUM HING	13,498,000	0.4650
22.	NG AH BAH @ NG SEE KAI	13,020,500	0.4486
23.	LEE CHIN LING	12,320,000	0.4244
24.	PERUMAL A/L MANIMARAN	12,000,000	0.4134
25.	JIANG WENLIN	11,586,200	0.3991
26.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANITHA BINTI MOHAMED HANIFFA	11,000,000	0.3790
27.	NG AH BAH @ NG SEE KAI	10,740,000	0.3700
28.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY SENG CHEW (PNG)	10,000,000	0.3445
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MUTHUKUMAR A/L AYARPADDE (PW-M00144) (550548)	9,320,000	0.3211
30.	YEOH SENG LIONG @ YEOH PHAIK KEE	7,629,000	0.2628
	TOTAL	**1,901,190,200**	**65.4962**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held on a virtue basis through live streaming and remote voting via online meeting platform at www.agriteum.com.my (Domain Registration No. with MYNIC-D1A400977) on Thursday, 22 June 2023 at 2.30 p.m. for the purpose of considering the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 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 amounting to RM380,000 for the financial year ending 31 December 2023. **Ordinary Resolution 1**

3. To re-elect Mr Dirk Johann Quinten who retires by rotation pursuant to Clause 95 of the Company's Constitution. **Ordinary Resolution 2**

4. To re-elect Mr Kunal Tayal who retires by rotation pursuant to Clause 95 of the Company's Constitution. **Ordinary Resolution 3**

5. 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 4**

AS SPECIAL BUSINESS:
To consider and if thought fit, to pass with or without modifications the following resolutions:-

6. **ORDINARY RESOLUTION**
RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE SHARES **Ordinary Resolution 5**

"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"), any directives or modifications or reliefs issued by Bursa Securities from time to time in relation to the general mandate for issue of 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 total number of new shares issued pursuant to this resolution when aggregate with the number of new shares issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

THAT such authority 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.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

6. **ORDINARY RESOLUTION**
RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE SHARES (CONT'D)

FURTHER THAT pursuant to Section 85 of the Act read together with Clause 57 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered with new shares ranking equally to the existing issued shares arising from the issuance and allotment of the new shares in the Company pursuant to Sections 75 and 76 of the Act, AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

7. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE") **Ordinary Resolution 6**

"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 2.5 of the Circular to Shareholders dated 28 April 2023 ("**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."

8. To transact any other business of which due notices shall have been given.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

By Order of the Board,

WONG YOUN KIM
SSM PRACTISING CERTIFICATE NO. 201908000410
(MAICSA 7018778)
Company Secretary
Kuala Lumpur

28 April 2023

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 the taking of poll at 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 15 June 2023. 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 2022.***

   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 2023***

   The proposed Directors' fee and benefits had been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognise that the Directors' fees and benefits payable are reasonable and are in the best interest of the Company. 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 2023 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and benefits proposed are insufficient (e.g., due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting ("AGM") for additional fees and benefits to meet the shortfall.

3. ***Ordinary Resolutions 2 and 3 – 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.

   Both Mr Dirk Johann Quinten and Mr Kunal Tayal shall retire by rotation, being eligible had offered themselves for re-election at this AGM. Their profile and interest in the securities of the Company are set out in the section of Directors' Profile in the Annual Report.

   The Nomination Committee had assessed the performance of the above Directors based on the performance evaluation criteria which incorporated with the Directors' fit and proper criteria as set out in the Directors' Fit and Proper Policy of the Company. The Nomination Committee was satisfied with their performance in discharging his duties and responsibilities as Director and both meet the Directors' fit and proper criteria. The Board recognises the effort made by Mr Dirk Johann Quinten who is the Managing Director in driving the business continuity of the Group in the challenging business environment. Mr Kunal Tayal as a Non-Independent Non-Executive Director has provided check and balance on the Board. He plays an active role in overseeing the corporate governance, financial performance and risk management of the Group. Based the above, the Board recognised their contribution and supported the Nomination Committee's recommendation that both Mr Dirk Johann Quinten and Mr Kunal Tayal shall continue serving the Board. Hence, the Board seeks the shareholders to vote in favour of these resolutions.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

Explanatory Notes on Special Business:

4. ***Ordinary Resolution 5 – Renewal of Authority for Directors to issue shares***

The proposed Ordinary Resolution 5, if passed, will give the Directors of the Company the flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued shares for the time being upon such terms and conditions and for such purposes and to such person or persons as the Directors of the Company in their absolute discretion consider to be in the best interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate sought will provide flexibility to the Company for any possible fund-raising activities including but not limited for further placement of shares for purpose of funding the Company's current and/or future investment projects, working capital, repayment of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration, or for such purposes as the Board may deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

At the last AGM of the Company held on 16 June 2022, the Board obtained the 20% General Mandate from the shareholders pursuant to the relief measure accorded by Bursa Securities via its circular dated 23 December 2021. The 20% General Mandate was not utilised by the Company until 31 December 2022, thereafter, the general mandate of 10% for new issue of securities under paragraph 6.03(1) of the Main Market Listing Requirements has been reinstated ("previous general mandate"). The general mandate sought for issue of new shares under the proposed Ordinary Resolution 5 is a renewal of the previous general mandate which will lapse at the conclusion of this AGM. There are no new shares issued pursuant to the previous general mandate.

Shareholders are advised to take note that the approval given to the Directors under the proposed Ordinary Resolution 5 for the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 57 of the Constitution of the Company and will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate which this will result in a dilution to their shareholding percentage in the Company.

5. ***Ordinary Resolution 6 - Proposed Renewal of Shareholders' Mandate***

The proposed Resolution 6, 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 28 April 2023 which is available on the Company's corporate website at 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 it 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.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

DIGITAL COPY OF ANNUAL REPORT 2021 AND CIRCULAR

Please be informed that the digital copy of the Annual Report 2022 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 available for viewing / downloading from the Company's corporate website at 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 2022 and / or printed Circular at the Share Registrar's website, www.agriteum.com.my, "Request Annual Report / Circular", key in "G3 GLOBAL BERHAD", complete and submit the online request form, or contact Ms. Magesh at telephone 03-5885 8578 or e-mail your request to contact@g3global.com.my. The printed copy of the Annual Report 2022 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, except the following Directors who retire by rotation and are standing for re-election at this forthcoming Annual General Meeting:

1. Mr Dirk Johann Quinten
2. Mr Kunal Tayal

Their profiles and their interest in the securities of the Company are set out on out in the section of Directors' Profile in the Annual Report.

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 6 in the Notice of Annual General Meeting of the Company for details.

G3 GLOBAL BERHAD
Registration No. 200201002733 (570396-D)
(Incorporated in Malaysia)

No. of Shares held

CDS Account No.

Proxy Form

Twenty-First (21st) Annual General Meeting

I/We * .... NRIC/Passport/Registration No.* ....
(Full name in block letters)

of ....
(full address)

with email address .... mobile phone no. ....
being member(s) of G3 Global Berhad, hereby appoint:

Full Name (in block letters)	**NRIC/Passport No.***	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

and/or*

Full Name (in block letters)	**NRIC/Passport No.***	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

or failing him/her, the Chairperson of the Meeting, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Twenty-First (21st) Annual General Meeting of the Company which is to be held on a virtue basis through live streaming and remote voting via online meeting platform at www.agriteum.com.my (Domain Registration No. with MYNIC-D1A400977) on Thursday, 22 June 2023 at 2.30 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 for the financial year ending 31 December 2023.		
2.	Re-election of Mr Dirk Johann Quinten as Director.		
3.	Re-election of Mr Kunal Tayal as Director.		
4.	Re-appointment of Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.		
5.	Renewal of Authority for Directors to Issue Shares.		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.		

* *Strike out whichever is not applicable.*
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.

Dated this .... day of .... , 2023

....
Signature/Common Seal of Member/
Rubber Stamp of Member^

^ *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, 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 the taking of poll at 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 15 June 2023. 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.

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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 George Town, Penang
Malaysia

2nd Fold Here

Fold This Flap For Sealing

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
T +603 – 5885 8578 F +603 – 5885 8579

www.g3global.com.my