



G3 GLOBAL BERHAD
Company No. 200201002733 (570396-D)

ANNUAL REPORT 2021

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CORPORATE INFORMATION



Dato' Sri Alias Bin Ahmad
Independent Non-Executive Director
and Chairman
(Appointed on 4 January 2022)

Dato' Sri Aminul Islam Bin Abdul Nor
Executive Director
(Appointed on 26 November 2021)

Mr. Dirk Johann Quinten
Managing Director

Dr. Tee Kim Siong
Executive Director

Mr. Kunal Tayal
Non-Independent Non-Executive
Director
(Appointed on 26 November 2021)

Dr. Salihin Bin Abang
Independent Non-Executive Director

AUDIT COMMITTEE

Dr. Salihin bin Abang (Chairman)
(Re-designated as Chairman on
4 January 2022)

Dato' Sri Alias Bin Ahmad
(Appointed as member on
4 January 2022)

Mr. Kunal Tayal
(Appointed as member on
4 January 2022)

RISK MANAGEMENT COMMITTEE

Mr. Kunal Tayal (Chairman)
(Appointed as Chairman on
4 January 2022)

Dato' Sri Alias Bin Ahmad
(Appointed as member on
4 January 2022)

Dr. Salihin bin Abang
(Re-designated as member on
4 January 2022)

REMUNERATION COMMITTEE

Dato' Sri Alias Bin Ahmad
(Chairman)
(Appointed as Chairman on
4 January 2022)

Mr. Kunal Tayal
(Appointed as member on
4 January 2022)

Dr. Salihin bin Abang

NOMINATING COMMITTEE

Dato' Sri Alias Bin Ahmad
(Chairman)
(Appointed as Chairman on
4 January 2022)

Mr. Kunal Tayal
(Appointed as member on
4 January 2022)

Dr. Salihin bin Abang

COMPANY SECRETARY

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

REGISTERED OFFICE

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

BUSINESS ADDRESS

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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 Penang
Tel : +604 228 2321
Fax: +604 227 2391

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF0737)
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 Berhad

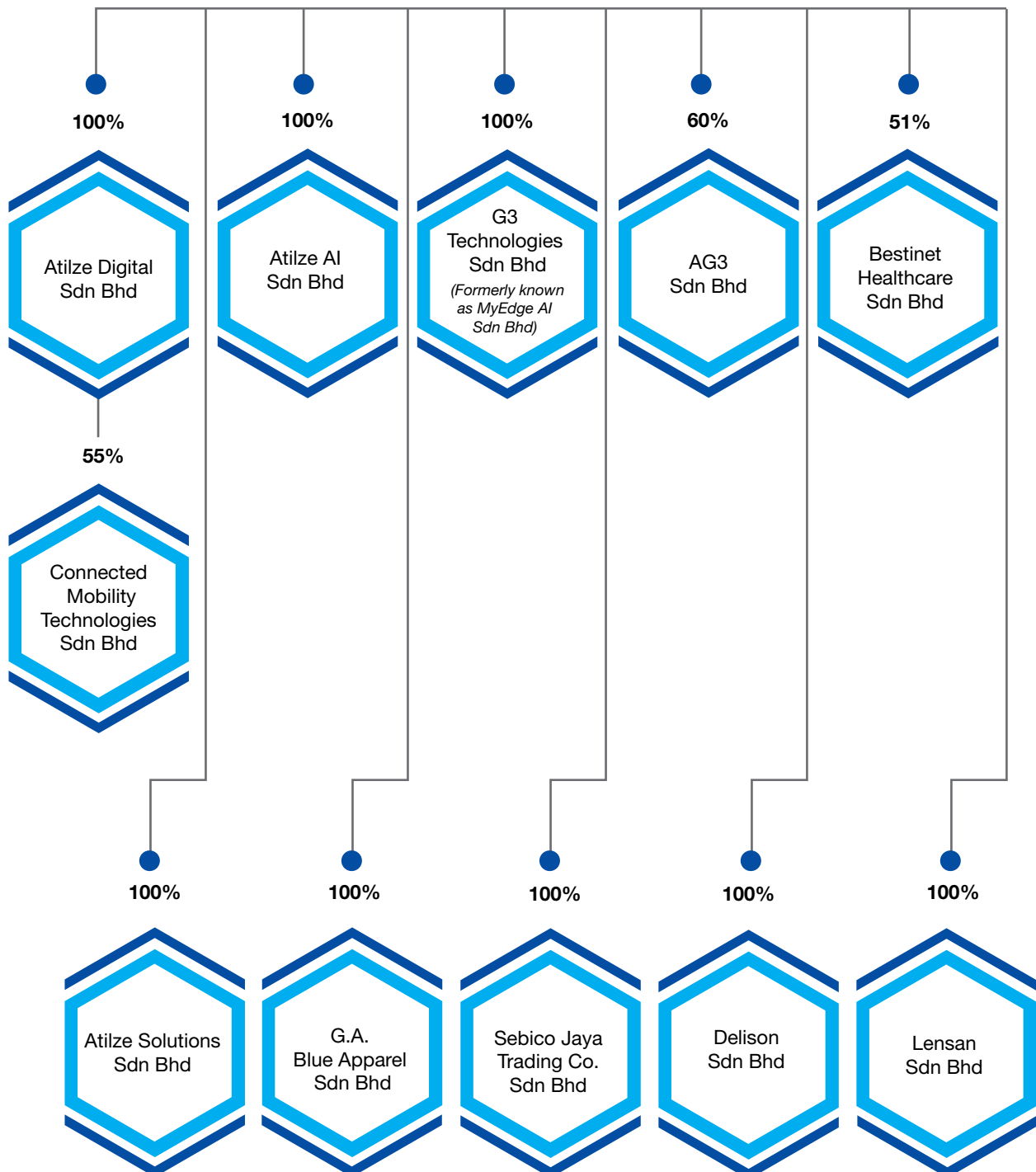
STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE



G3 GLOBAL BERHAD
Company No. 200201002733 (570396-D)





CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (Board) of G3 Global Berhad (G3 Global or the Group), it is my pleasure to present to you as Chairman, a position to which I was elected effective 4 January 2022, the Annual Report for the Financial Year Ended 31 December 2021 (FYE2021).

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 ongoing 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.

At G3 Global, recognising how the pandemic has accelerated certain trends, we have focused efforts on transforming the Group to ensure business sustainability and continuity. We acquired a 51% stake in Bestinet Healthcare Sdn. Bhd. (Bestinet Healthcare), a distributor of medical equipment, pharmaceuticals and hospital consumables that also offers various other medical support services such as developing healthcare medical distribution systems, as part of this transformation to keep abreast of market and technology trends.

We will continue to leverage the Group's expertise and experience in Artificial Intelligence (AI) to seek opportunities in technology projects while also leveraging this expertise and experience to add value to the healthcare business. At the same time, the Group will continue to actively work with SenseTime Group Ltd ("SenseTime") in Malaysia through the distribution of SenseTime products and to pursue large-scale AI Projects. We will also work closely with key stakeholders to secure opportunities in medical support services, and in particular, developing COVID-19 Test Kits distribution solutions, that leverages on the Group's ICT capabilities while enhancing the healthcare business.

We are also happy to announce that shareholders have approved, at an Extraordinary General Meeting (EGM) held on 8 April 2022, the proposed private placement of up to 432.8 million shares or up to 20% of existing total number of issued shares to fund the expansion of the healthcare business, future business projects and investments as well as working capital. Also approved at the EGM was the proposed diversification into the healthcare-related business that involves related party transactions.

As part of business continuity measures, the Group, cognisant of the risks of COVID-19 infection, ensured that employees' health and safety were taken care of by enabling them to work remotely while meetings were all conducted in virtual settings whenever possible. The Group also adhered strictly to the standard operating procedures as announced by the government for those whose responsibilities demanded that they entered the office premises.

NEW BOARD MEMBERS

In tandem with the Group's venture into the healthcare business, the Board would also like to welcome Dato' Sri Aminul Islam Bin Abdul Nor (Dato' Sri Mohd Amin) and Mr. Kunal Tayal (Kunal), who were both appointed effective 26 November 2021 as Executive Director and Non-Independent Non-Executive Director, respectively. Dato' Sri' Mohd Amin is the Founder and Group President of Bestinet Sdn. Bhd. (Bestinet), an award-winning technology company while Kunal is the Chief Financial Officer of Bestinet.

ACKNOWLEDGEMENTS

In closing, I would like to take the opportunity to thank the G3 Global team and past directors for their hard work and dedication for what has been a 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. Lastly, the Board is looking forward to expand the business network in Malaysia and grow the business of the Group.

Dato' Sri Alias Bin Ahmad
Chairman

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

G3 Global began a transformation journey with the acquisition of a 51% stake in Bestinet Healthcare and subsequently, the business focus turned to healthcare while the ICT business was streamlined to focus on AI, in which the emphasis is on value-added healthcare-related solutions and services as well as large-scale technology applications.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

	2017 (17mths)	2018	2019	2020	2021
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A. OPERATING RESULTS (RM'000)

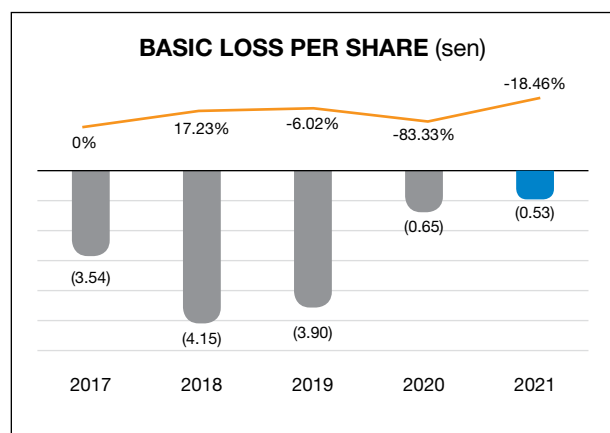
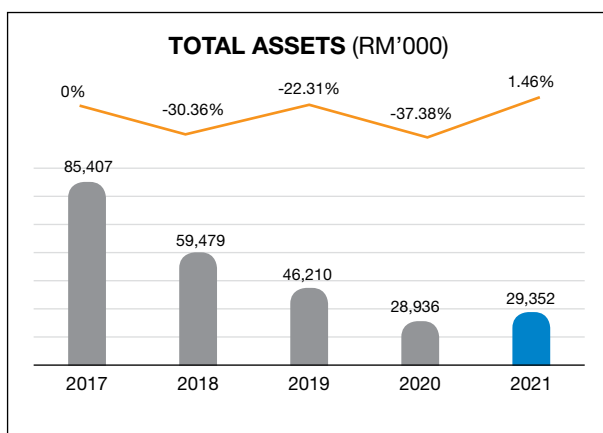
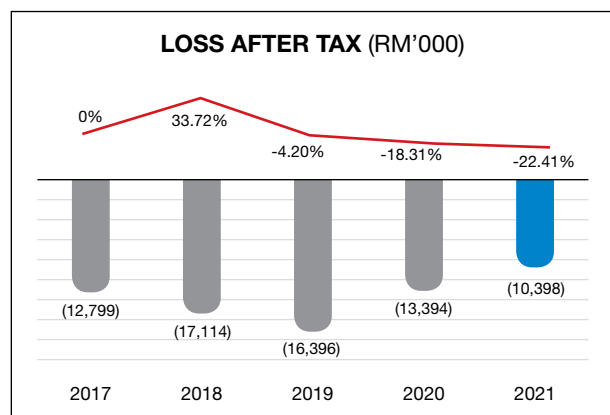
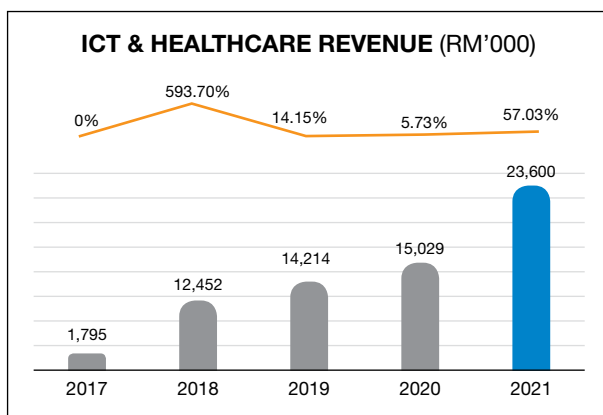
Revenue - ICT	1,795	12,452	14,214	15,029	2,162
Revenue - Healthcare	-	-	-	-	21,438
Loss after tax	(12,799)	(17,114)	(16,396)	(13,394)	(10,398)

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

Total Assets	85,407	59,479	46,210	28,936	29,352
Total Liabilities	17,566	8,790	6,368	2,475	5,832
Shareholders' Funds	67,841	50,649	39,806	26,431	22,564

C. SHARE INFORMATION

Basic loss per share (sen)	(3.54)	(4.15)	(3.90)	(0.65)	(0.53)
Asset per share (sen)	0.17	0.12	0.09	0.06	0.01



CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE

G3 Global's acquisition of a 51% stake in Bestinet Healthcare in September 2021 and the venture into the healthcare business helped support the Group's financial performance in the year under review despite the ongoing challenges presented by COVID-19. The acquisition is in line with the Group's transformation amid changes in market trends.

There was a much-improved financial performance for FYE2021 mainly attributable to the healthcare division under Bestinet Healthcare, which leveraged on the Group's ICT and AI expertise by providing end-to-end solutions on a centralised system for the large-scale distribution of antigen kits. Revenue for FYE2021 increased 57.3% to RM23.6 million compared with RM15.0 million in FYE2020, with the healthcare division contributing RM21.4 million.

The ICT division's contribution of RM2.2 million to revenue, which was a decrease of 85.3% compared with RM15.0 million generated in the corresponding period of the previous financial year was mainly due to the slowdown in large-scale projects target to materialise in FYE2021 related to AI as a consequence of the uncertain operating environment that prompted businesses to scale back, delay spending or revisit their cost structures.

Operating loss narrowed by 30.1% to RM9.4 million in FYE2021 compared with RM13.5 million largely due to the profit contribution from the healthcare division of RM2.5 million in the second-half of FYE2021. The losses from the ICT division narrowed by 11.2% to RM11.9 million compared with RM13.4 million following a cost rationalisation exercise undertaken by the Group and its subsidiaries as part of the transformation. The reduced losses were offset by the provision for amount due from the acquirer of the Group's apparel business of RM2.5 million in the third quarter ended 30 September 2021 (3Q2021) as well as amount due from trade debtors amounting to RM2.9 million in 4Q2021 and impairment of smart mobility and IoT inventories of RM2.2 million in the same quarter. The loss after tax narrowed by 22.4% to RM10.4 million compared with RM13.4 million.

The overall improved financial performance is further underscored when comparing 4Q2021 with 3Q2021 as revenue for 4Q2021 increased to RM18.8 million from the RM2.8 million generated in 3Q2021 from the healthcare division's contribution. The pandemic's effects on demand for the Group's AI products and services continued to weigh on the ICT division where the revenue generated totalled RM193,000 for both 3Q2021 and 4Q2021.

The loss per share was also reduced in FYE 2021 compared with FYE2020 due to a combination of improved financial performance as well as continued cost rationalisation as part of the transformation the Group is undergoing.

SEGMENTAL OUTLOOK

Healthcare Division

The total healthcare expenditure in Malaysia, from both public and private spending, stood at RM67.02 billion in 2020, contributing about 4.7% of Malaysia's gross domestic product. Healthcare expenditure in Malaysia has been increasing at a CAGR of 6.8% over the last 5 years from 2016 to 2020, largely due to growth in both public and private healthcare capacity.

The surge in COVID-19 infections in 2021 necessitated the rapid availability of antigen rapid test kits in Malaysia, where, as of 15 November 2021, a total of 70 self-test kits have been approved by the Ministry of Health (MOH), from the initial two approved in July 2021. Besides the approval of the self-test kits, the Government also approved retailers outside of pharmacies and healthcare facilities to sell the kits, which improved accessibility greatly and increased the supply of such kits throughout the country. Introducing ceiling prices of RM19.00 for retail and RM16.90 for wholesale also helped support accessibility of these kits in the market.

The COVID-19 antigen rapid test kit market (in terms of tests conducted) in Malaysia is projected to grow to 25 million tests in 2022 from 21.5 million tests in 2021. This is a jump from the 1.1 million tests in 2020 given the need for constant testing to safeguard health from the easily transmissible Omicron variant of the virus.

The Group expects the division to continue contributing significantly to total revenue as healthcare expenditure in Malaysia continue to rise on the back of the current need for the distribution of antigen kits.

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The 12th Malaysia Plan (12MP) also targets to enhance healthcare service delivery in the country through the construction of new hospitals or upgrading of existing hospitals and facilities as well as targeting a bed-to-total population ratio of 2.06 beds per 1,000 residents by 2025. Besides the 12MP, the government has also allocated RM32.4 billion in Budget 2022 to the Ministry of Health for COVID-19 measures and to improve the public healthcare system.

All these initiatives and measures are positive for the Group's healthcare division as, in addition to the distribution of antigen kits, the Group will be able to deploy its core AI competencies in other healthcare-related products and solutions.

The Group intends to leverage on its ICT core business to apply AI-based technologies on medical devices and equipment to perform the following:-

Applications	Details
Diagnostics	<ul style="list-style-type: none"> • AI based diagnosis and evaluation; and • Screening
Health management	Patient-centred information systems for healthy lifestyle promotion and early disease detection.
Administration	Big data in hospital management, quality-based outcome assessments and disease monitoring.

This strategic thrust will also be buttressed by the Group's partnerships with SenseTime and Bestinet, for their business networks, technology and opportunities.

ICT Division

The division will focus on AI, leveraging on the digital transformation of the private and public sectors to provide solutions that enable them to unlock potential through big data analytics, cloud computing and improved security in key premises. The digital transformation push is further strengthened by the implementation of infrastructure projects under the National Digital Network or better known by its Malay acronym, JENDELA, facilitating the transition to the 5G cellular network spectrum that enhances network speed and internet coverage.

As economic activities digitalise, opportunities will open up for the Group to offer its suite of AI solutions to all organisations, including the public sector, that are reliant on or whose operations will be significantly enhanced by digital inputs. According to the Department of Statistics Malaysia, ICT contributed 22.6% of GDP in 2020, led by strong e-commerce growth, including online retailing, usage of internet-related devices as well as information technology and telecommunications investments by public and private sectors. This is in line with the integration of digitalisation into the national economy and with the Fourth Industrial Revolution.

Despite the ICT industry's positive outlook in Malaysia, the adoption of AI remained low with more than 50% of Malaysian organisations yet to consider adopting AI into their businesses, and AI remained a low priority in budgeting decisions (at 5% of the budget). This is further delayed by the insufficient AI talent pool in Malaysia.

However, in line with the Malaysian Government's initiative to encourage adoption of AI through their AI Roadmap and Industry 4.0, the outlook for AI is positive and the Group is in a strong position backed by SenseTime to support the Government's initiatives as a leading AI provider in the country.

Also, the Group will continue to pursue large-scale projects with partner SenseTime. At the same time, the Group will target industries, commercial applications and the public sector utilising its core competencies in AI.

CORPORATE MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK MANAGEMENT

G3 Global will continue to monitor the health situation in relation to COVID-19 and the implications of the ongoing pandemic to the overall economy as well as to the Group's business operations. The Group continues to maintain a strong liquidity position as a buffer against any unforeseen economic shocks. As of 4Q2021, the Group has no borrowings or debt securities and have no outstanding capital commitments. The Group has also reduced cost quarter-on-quarter and now has an efficient cost structure that will be supportive of its growth plans in both AI and Healthcare sectors.

To mitigate risks and seek opportunities, the Group started a transformation with the venture into the healthcare business, which has performed commendably. The Group will seek other healthcare-related opportunities besides the distribution of antigen kits and believes that its technology core competencies together with the collaboration with partners such as Bestinet and SenseTime will give added value and enable the expansion of the healthcare business.

DIVIDEND POLICY

The Board has not adopted any fixed dividend policy. The Board does not recommend payment of any dividend for FYE2021.

OUTLOOK

The resurgence of COVID-19 infections that started from late 2021 due to the Omicron variant weighed on an already fragile economic recovery across the world, while for 2022, the International Monetary Fund has revised its global GDP growth forecast half-a-percentage point lower to 4.4% in the January update of the World Economic Outlook (WEO) compared to the October 2021 WEO report.

For Malaysia, despite these headwinds, the announcement of the reopening of the country's borders will help accelerate growth, which Bank Negara Malaysia has forecast at between 5.5% and 6.5% in 2022.

Armed conflict in Ukraine is another critical issue that will weigh on growth as global supply chains struggling from high COVID-19 infection rates are impacted by rising commodity prices that translate to higher costs and inflationary pressure. These issues will have knock-on effects throughout the global value chains and affect businesses.

While the Group's operations are in Malaysia, it is not immune to the secondary effects stemming from volatile geopolitical or resurgent health issues. To face these challenges to operations and business growth, the Group had in September 2021 diversified into the healthcare sector, which has countless opportunities, applications and use-cases for ICT and AI. The Group will continue to deploy these solutions not just for the healthcare industry but for other key industries such as aviation, banking and petrochemical that will give it a competitive edge.

G3 Global expects the Malaysian Government's initiatives, Industry 4.0 and the incentives given to nurture technology under Budget 2022 will have a ripple effect that will be beneficial to its AI solutions, which is focused on large-scale projects. The Group will continue to leverage on its partnerships with SenseTime to seek opportunities for such projects.

Besides the focus on AI going forward through the pursuit of key ICT projects, the Group will continue to expand involvement in other aspects of the healthcare business where it can leverage technology as a competitive edge. There will be less emphasis on smart mobility and IoT as the Group redeploy resources that can better ensure growth. The Group, as part of the venture into healthcare, has identified several key management personnel to lead this venture and intend to hire more.

The Group had also proposed in December 2021 a private placement of up to 432.8 million shares or up to 20% of existing total number of issued shares to fund the expansion of the healthcare business, future business projects and investments as well as working capital. The proposed private placement was approved via Extraordinary General Meeting on 8th April 2022.

DIRECTORS' PROFILE



DATO' SRI ALIAS BIN AHMAD

(Independent Non-Executive Director and Chairman)

Age 64
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 55
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 Bin Abdul Nor 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 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 Bin Abdul Nor is well-versed in project management, marketing, financial management, client retention, implementing policies, cost control and others.

Presently, Dato' Sri Aminul Islam Bin Abdul Nor does not hold any other directorship in any other public companies or public listed companies.

Save for Dato' Sri Aminul Islam Bin Abdul Nor 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 Bin Abdul Nor does not hold any shares directly in the Company. However, he have deemed interest on 537,888,900 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 Bin Abdul Nor 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 53
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 at least 26 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)



DR JAMES TEE KIM SIONG
(Executive Director)

*Age 50
Malaysian
Male*

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

He holds a PhD in Materials Science and Metallurgy from the University of Cambridge, United Kingdom. He is also a Commonwealth Scholar who holds a First Class Honours Degree in Bachelor of Engineering from Universiti Teknologi Malaysia (UTM).

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

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

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

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

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

Save for Dr. Tee Kim Siong does not have other conflict of interest in any business arrangement involving the Company.

Dr. Tee Kim Siong 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)



MR KUNAL TAYAL
(Non-Independent
Non-Executive Director)

Age 34
India
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 (MICA) 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 49
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 School of Maritime Business and Management of Universiti Malaysia Terengganu (UMT), Tunku Puteri Intan Safinaz School of Accountancy at Universiti Utara Malaysia (UUM), the Faculty of Business and Technology at UNITAR International University and 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) and an honorary member of the Institute of Cooperative and Management Auditors (ICMA). He is also a Qualified Risk Director with The Institute of Enterprise Risk Practitioners (IERP).

Dr. Salihin currently holds directorship in another public company (Wassiyah Shoppe Berhad) and public listed companies (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 2021:

The details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Overview Statement on page 33 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 44
Malaysian
Male*

Mr. Cheok Tuan Oon was appointed as Financial Controller on 1 August 2020 and was re-designated as Chief Financial Officer on the 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 specialised 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 the 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 in Grab as Regional Head of Finance. He had been supporting Grab in the initial stage and securing the valuation of USD 80m. 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

OUR COMMITMENT TO BUSINESS SUSTAINABILITY

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

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

Reporting Standards

This Sustainability Statement was prepared in accordance with the following regulatory and guidance:

- Practice Note 9 of the Main Market Listing Requirements;
- Sustainability Reporting Guide, 2nd Edition ("SRG") issued by Bursa Malaysia Security Berhad;
- Malaysia Code of Corporate Governance, Updated April 2021; and
- Global Reporting Initiative (GRI), 2021.

Reporting Scope

This Sustainability Statement covers all sustainability activities and performances in G3 Global for the financial period from 1 January 2021 to 31 December 2021 in the context of Economic, Environmental and Social dimension. It includes G3 Global and all its subsidiaries located in Malaysia.

Feedback

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

Sustainability Governance Structure

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



Board of Directors

- Comprises of Independent Chairman, Executive Directors, Non-Independent Non-Executive Director and Independent Non-Executive Director
- Overall responsibility and provides oversight for the Group's sustainability strategy and performance
- Approving the budget for 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 Management

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

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Engagement

We understand the substantial impact that our stakeholders contribute towards the success of our business. They are highly essential in our ceaseless journey towards a sustainable future and thus the Group recognises the importance of being transparent and timely in connecting with our stakeholders.

The table below summarises the Group's key stakeholders and how the Group engages them:

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

SUSTAINABILITY STATEMENT (CONT'D)

Our COVID-19 Response

Since March 2020, the COVID-19 virus has impacted business operations of around the world and G3 Global was not spared of the pandemic wave. The Group maintains our focus on the health and safety of our employees and customers as we implement our COVID-19 response measures at our office and embed the measures in our daily business operations to ensure their well-being as per the guidelines set by our Governmental bodies including Ministry of Health Malaysia as well as World Health Organisation ("WHO").

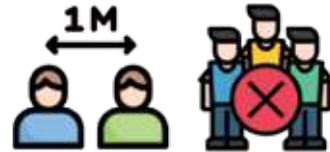
The following are some of the measures implemented to safeguard our employees and visitors' safety:



Daily temperature screening and MySejahtera check-in



Mandatory use of face masks at all times within G3 Global premises



Maintain social distancing and avoid crowding an area



Work-From-Home Initiative



Maintain good hygiene and use of hand sanitiser



Declaration of positive cases and quarantine

Materiality Sustainability Matters

In FY2021, the Group identified its material EES issues that are deemed significant to the strategy and business of the Group. The Group places a priority in addressing the identified key issues and focuses on the key disclosures in this Sustainability Statement.

Our materiality assessment process facilitates us in identifying and assessing key risks and opportunities to ensure long-term sustainable growth for the Group. The assessment involves evaluating the significance of each sustainability issue based the relevance on the Group. The various factors taken into consideration includes the three (3) main themes of economic, environmental and social.

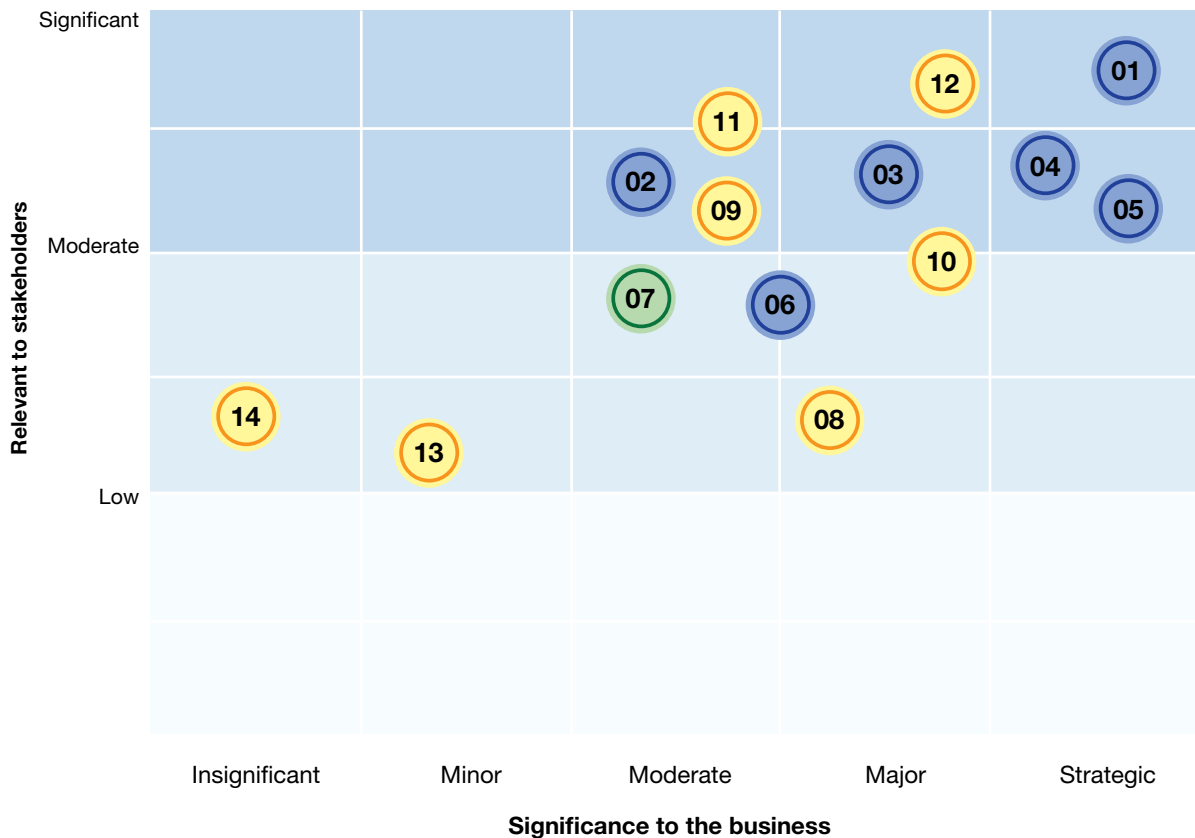
SUSTAINABILITY STATEMENT (CONT'D)

The following illustrates our materiality assessment process which is in line with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad:



SUSTAINABILITY STATEMENT (CONT'D)

As there was no significant changes in our business operation during the financial year, the Management team has decided material sustainability matters in FY2021 remain the same as identified in previous year.



- | | | |
|-----------------------------|------------------------------------|--|
| 01 Profitability | 02 Market Presence | 03 Anti-Bribery and Anti-Corruption |
| 04 Corporate Governance | 05 Product and Service Quality | 06 Cybersecurity |
| 07 Compliance | 08 Diversity and Equal Opportunity | 09 Occupational Health and Safety |
| 10 Employment | 11 Customer Privacy | 12 Innovation and Digital Transformation |
| 13 Training and Development | 14 Employee Engagement | |
- Economic
 ● Environmental
 ● Social

SUSTAINABILITY STATEMENT (CONT'D)

1.1 ECONOMIC SUSTAINABILITY

The Group's objective towards commercial success is intertwined with its commitment to protect the natural environment and improve the quality of life for future generations. The Group ensures that the corporate-wide strategy for business sustainability allows various stakeholders' interests into consideration.

With this understanding, the Group's clear and straightforward visions are as follow:

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

Performance

COVID-19 pandemic tested the world of their resilience in facing an unexpected adversity. Businesses had been affected by the economic downturn, and it has never been more evident that sustainability measures bears its weight in keeping those businesses to become even more agile in sustaining their operations.

Our nucleus in Information and Communications Technology ("ICT") sector focuses on Artificial Intelligence ("AI") collaborating with SenseTime Group Limited ("SenseTime") and now healthcare sector in Malaysia, we are primed to unlock another era of human development through the use of AI to improve and enhance all aspects of human life in work, play, healthcare, security, safety and beyond.

Despite the challenges in FYE2021, we remain adamant as we believe in our commitment to achieve long-term profitability and sustainable growth and persist to provide the most innovative solutions of excellent quality to our customers through the synergy of our breakthrough technology, our people and our strategic collaborations.

Whilst keeping ourselves cognisant of the current and emerging sustainability matters, we have consistently engaged our stakeholders to enable their involvement in the development and implementation of our sustainability strategies, priorities and targets.

By doing so, we can ensure our stakeholders' ability to keep pace with the evolving sustainability agendas, and our mission to grow even further while securing a firm foothold in achieving sustainable revenues in the long term.

In September 2021, G3 Global has acquired 51% of Bestinet Healthcare Sdn. Bhd. ("BHSB") as part of our strategic plan to secure projects as we venture into the healthcare industry. Through BHSB, G3 Global provides an end-to-end supply chain solution in the form of a portal for test kit distribution, in which customers are able to manage their orders of COVID-19 Test Kits. BHSB sources their test kits only from local manufacturers and distributors that have approved by the Medical Device Authority ("MDA") for the supply of the test kits.

Details of the Group's business objectives, strategies, and financial results are presented in the Management Discussion and Analysis section on pages 6 to 9 of this Annual Report.

Market presence

The G3 Global name have a strong presence in Malaysia through recognition, expansion of products, business diversification and collaboration partnership. The Group is committed to business continuity and towards improving sustainability led by the Board of Directors.

Corporate governance

G3 Global is consistently devoted to conforming with the best practices in regulatory requirements to inspire accountability, transparency and ethical conduct whilst nurturing sustainable growth and prosperity by building a culture of dynamic corporate governance that ultimately boosts our investors' confidence.

SUSTAINABILITY STATEMENT (CONT'D)

We observe the principles and best practices set out in the Malaysian Code on Corporate Governance 2021 ("the Code"), which is effective from 28 April 2021. Deviations from the Code are reported in our Corporate Governance Report ("CG Report"). The Audit Committee ("the AC") 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 from page 31 to page 43, which widely incorporates areas such as our core policies, board composition, risk management and other governance related matters.

Anti-Bribery and Anti-Corruption

G3 Global is committed in ensuring that the Group and its employees emulates the Code of Ethical Conduct and Conflicts of Interest (the "Code") throughout our daily business operations. The Group organises an annual refresher course in order to remind all our employees of the importance of adhering to the Code.

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

The policies are accessible on the Group's website at www.g3global.com.my.

In FY2021, zero incident (2020: Nil) on whistle blowing cases in relation to ethical business practices or suspicious corruption or unethical behaviour was reported to the Senior Management.

Product and service quality

G3 Global is committed to serve our customers with products and services that offer the required specification whilst maintaining the highest quality and sustainability features of our products and services.

The Group is dependent on quality and timely delivery of our products and services, and this can be seen through our collaboration efforts with SenseTime, a globally well-known AI solutions provider which is ISO-certified and our recent venture into healthcare segment through BHBS, of which all selected vendors are MDA-certified.

Nonetheless, efforts to improve on the product and service quality, targets and Key Performance Indicators ("KPIs") are currently being analysed to gauge our improvement efforts so that every employee understand the metrics for achieving the goal.

Cybersecurity

Cybersecurity threats are synonymous in this modern digital era. With the ongoing coronavirus pandemic, cybercriminals are leveraging on the pandemic as a theme for their attacks by luring users to click malicious links disguised as COVID-19 related topics. At G3 Global, we address cybersecurity with utmost care to ensure all known and unknown cybersecurity threats can be mitigated. For that effort, G3 Global ensures the adherence to the following IT policies that governs:

- a) Access Management;
- b) Cloud Data Storage;
- c) Purchase of Hardware;
- d) Network Security;
- e) Portable Data Storage; and
- f) Software Licensing.

Our IT infrastructure security is consistently enhanced through firewall and perimeter security, controls, and active virus and threat protection in place. Our cloud data storage is secured with password encryption and establish access

SUSTAINABILITY STATEMENT (CONT'D)

control matrix to prevent unauthorised access. We ensure that all our computers are installed with the latest anti-virus and anti-malware software, restricted access to social websites, access through Virtual Private Network ("VPN"). Disaster recovery and business continuity processes have been established with periodic backup at stored offsite.

Our collaborative partner, SenseTime, is certified with ISO/IEC 27001:2013 and ISO/IEC 29151:2017 certifications. They were also graded as Level 3 under China's Multi-Level Protection Scheme ("MLPS") 2.0 for cybersecurity. SenseTime is among the first batch of companies to pass the MLPS assessment since China government's implementation in December 2019.

Due to our strong cybersecurity efforts, we were able to maintain zero cases relating to breaches of data or complaints from external stakeholders (FY2020: Nil).

1.2 ENVIRONMENT SUSTAINABILITY

While economic stability remains fundamental towards long-term business sustainability, our environment must never be neglected. The Group is cognisant that responsible stewardship with our natural world is equally vital in our pursuit for sustainability. Key areas of focus in our environmental and climate change management are to enhance energy consumption efficiency, ensure efficient use of water and maximising the effectiveness of our 4Rs ("Refuse, Reduce, Reuse and Recycle") initiative.

Our ongoing ESG 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	Ongoing
"Last out – lights off" practice	Energy efficiency	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

Energy Usage and Water Management

As a result of the above initiatives, G3 Global maintained the consumption of electricity and water at a minimum level as the electricity and water are mainly for office usage. The increase in the electricity usage intensity observed in FY2021 was mainly due to FY2020 had a decrease in office-based business operations due to the pandemic with the nation-wide initiative to work from home to curtail the impact of the COVID-19 pandemic.

The company's total use of resources are summarised in the table below:

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

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

SUSTAINABILITY STATEMENT (CONT'D)

Compliance

We strictly adhere to the highest standards of governance practices to ensure compliance with all applicable laws and regulations as we are mindful that any material breach of law or regulation could have irrevocable reputational damage and may very well lead to other costly liabilities. The Group regularly reviews any risks and potential issues related to the environment for its business operations.

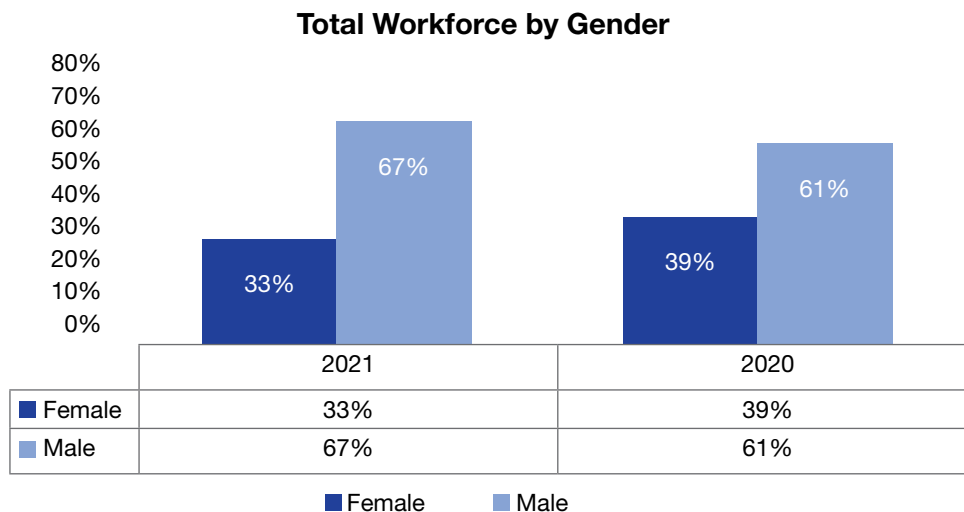
With the effective policies and procedures in place, we continue to maintain the 100% compliance to uphold the highest standards and performance. In FY2021, we have complied with all relevant environmental regulations and no sanctions resulting from non-compliance for our operations (FY2020: Nil).

1.3 SOCIAL

Diversity and equal opportunity

G3 Global aims to foster a nurturing and innovative working environment as we recognise that our employees are at the very core of the business' sustainability. We strive to build a culture of inclusiveness where our employees are valued equally regardless of their age, gender, nationality or religion. In fact, we celebrate our differences as they are vital to bring in unique perspectives, experiences and ideas to aid in achieving the Group's sustainable future. The Group has and will continue to inspire inclusivity and diversity not just within our employees, but also with extension to our boardroom.

In FY2021, G3 Global's total workforce of 13 people consists of 67% males and 33% of females (FY2020: 17 people, 61% males 39% females).

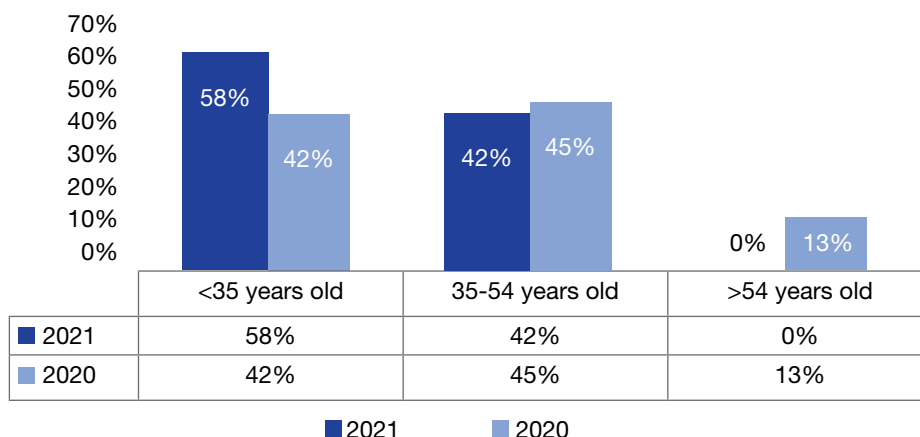


Our Group's workforce age group majority are within the age of 34 years old which comprises 58% (FY2020: 42%) of total employees whereas the remaining 42% (FY2020: 58%) comprises experienced employees, who are above 35 years old. With today's technology that is ever evolving, we believe that with the fresh and innovative ideas from the younger generation enables to soar to a greater height towards being a market leader in the technology sector.

In view of the Group's specialised AI products and services, recruitment is based on capabilities, expertise and experience regardless of gender. However, the Group has taken various measures to ensure the Group does not practise any form of gender discrimination in recruitment exercise.

SUSTAINABILITY STATEMENT (CONT'D)

Employee Breakdown by Age



Occupational Health and Safety

G3 Global is committed to provide a healthy and safe environment for our employees. Our Health and Safety Policy was established to provide effective safety management at the workplace and manage the safety risk which is associated with G3 Global's business operation.

The Group maintains a strict policy in handling matters relating to the deadly coronavirus. The following forms part of our COVID-19 Standard Operating Procedures ("SOPs") as recommended by the Ministry of International Trade and Industry's ("MITI") and Ministry of Health ("MOH") that G3 Global has embedded in its daily operations:

- Daily temperature screening before entering office premises;
- Daily MySejahtera Check-In;
- Use of masks at all times;
- Maintaining social distancing at all times;
- Avoid crowding an area;
- Regular sanitisation and disinfection;
- Practice good hygiene;
- Batch prayers by slots at surau;
- Work from home ("WFH") initiative; and
- Virtual meetings.

Employment

An organisation expands its capacity with the goal to create value not just to the business, but also to the economy. Our employees are part and parcel in paving the way towards the Group's sustainability. At G3 Global, we are devoted to contributing to our local economy by hiring local talents which currently constitutes 99% of our total workforce in FY2021 (FY2020: 99%).

In FY2021, we hired a total of six (6) (FY2020: 22) new employees which comprises 50% of male employees and 50% of female employees.

SUSTAINABILITY STATEMENT (CONT'D)

The Group ensures that our workforce is offered with competitive remuneration packages as well as deserving benefits. Our employee benefits programmes include hospitalisation and surgical plan, personal accident insurance, leave benefits, and travel allowances.



Source: Extracted from Employee Handbook

Customer privacy

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

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

Due to the criticality, we intent to hold refresher training course on a quarterly basis to remind the staff the importance of data protection and customer data privacy. At the same time, we are also working to establish the KPIs relevant to information security and privacy to address the concerns.

We do not have any complaints on data privacy leakage during FY2021 (FY2020: Nil).

Innovation and digital transformation

Our strong partnership and collaboration with SenseTime in providing the AI solutions, has enable us to meet the global best standards and the needs of Malaysian corporates as well as support the curbing of COVID-19 pandemic.

SUSTAINABILITY STATEMENT (CONT'D)

Through this collaboration, we were able to provide the SenseThunder-E thermal camera, which is widely used in Malaysia for its features that include the use of infrared to measure temperature at a distance combined with facial recognition that can even function with face masks on.

Our AI solutions are also being applied in closed-circuit television ("CCTV") cameras that we supply to various industries in Malaysia for its facial recognition capabilities which is vital in terms of security and during this COVID-19 times, for temperature screening as well.

Through our innovative AI solutions, G3 Global is able to respond and aid our local businesses and government agencies in preventing the spread of the COVID-19 pandemic.



Thermal camera and
face recognition



Recognition through
face masks



Aid in the prevention
of COVID-19 spread

As the key distributor of Sensetime products in Malaysia, the Group is at the forefront of AI innovation. The Group will consider innovation metrics only when the setup of innovation unit is considered for Healthcare Division.

Training and development

G3 Global persists on ensuring the development of our employees in order to maintain a high level of competency throughout the organisation. We provide ample and flexible opportunities to our people to learn, not only by virtue of external training providers, but also internally by learning with one another.

Our Heads of Department play an important role in assisting our employees to identify their training needs ranging from technical and professional development to business and management skills to ensure that our people are well-equipped with the knowledge and relevant skills required for the Group's daily operations.

In FY2021, we have accumulated total hours of trainings of 26.5 hours (FY2020: 23 hours), recording a total cost of RM8,670 (FY2020: RM5,830) with sessions focusing on risk management, leadership and governance. Due to COVID-19, the trainings were mainly organised online for employees' safety while ensuring businesses were not affected.

G3 Global continues to focus on and nurture a learning culture and we aim to support our talent in achieving their ambitions by enabling them to explore new opportunities and build expertise. Providing learning and development opportunities to our employees enabling them to be agile and remain resilient in an era of rapid technological advances.

To take a step further, we plan to roll-out the setting of KPIs and targets, for the training and development in human resource department and other operational departments in FY2022.

Employees' Engagement

Engaging and connecting with our employees are the most essential aspects to create a lasting bond and supportive work culture among employees. This has also allowed us to retain high motivation level amongst employees. Healthy and happy employees is vital in achieving higher productivity and work efficiency, and for the growth of G3 Global in the long run.

SUSTAINABILITY STATEMENT (CONT'D)

Through meaningful engagements, G3 Global actively engages with employees in our effort to inspire health, spiritually, body and mind. We strive to ensure that our people stay connected at the same time to ensure their wellbeing.

In 2021, we started the new year with the Chinese New Year celebration with the prosperity salad, called “Yee sang” tossing ceremony held during the dinner. Similarly for Hari Raya Aidilfitri season, we showered our employees by giving gift bags to show our appreciation to their contributions. Other functions included employees’ birthday of the month function was held, which the Company sponsored cakes and occasionally held lunches with employees to strengthen our bond with our team.



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 2011 (“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 2021 (“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 had 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;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company;

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)

- 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 had led to 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 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 Directors and Independent Directors, provides a broader view to the Company's activities and a balanced perspective. The Board is guided by the Board Charter in discharging its duties and fiduciary obligations to the Group and Company.

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, Ms. 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 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, six (6) Board meetings were held and one (1) Board meeting was held from 1 January 2022 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 2021	1/1/2022 up to the date of approving this report
Dato' Sri Alias Bin Ahmad (appointed on 4 January 2022)	n/a	1/1
Dato' Sri Aminul Islam Bin Abdul Nor (appointed on 26 November 2021)	n/a	1/1
Mr. Kunal Tayal (appointed on 26 November 2021)	n/a	1/1
Mr Dirk Johann Quinten	6/6	1/1
Dr. Tee Kim Siong	6/6	1/1
Dr. Salihin bin Abang	6/6	1/1
Datuk Haji Khan Bin Mohd Akram Khan (resigned on 26 November 2021)	6/6	n/a
Datuk Wan Khalik Bin Wan Muhammad (resigned on 4 January 2022)	6/6	n/a
Encik Ahmad Rizan bin Ibrahim (resigned on 26 November 2021)	6/6	n/a
Mr Puan Chan Cheong (resigned on 4 January 2022)	6/6	n/a
Mr. Hew Wee Choong (Alternate Director to Mr. Puan Chan Cheong) (ceased on 24 December 2021)	n/a	n/a
Mr Yong Kim Fui (resigned on 6 October 2021)	5/6	n/a
Mr Lai Chin Tak (resigned on 4 January 2022)	5/6	n/a

n/a = not applicable

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

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

Board Charter

The Board has established a Board Charter that clearly sets out the principal role of the Board, the demarcation of the roles, functions, responsibilities and powers of the Board, the Board Committees and the management. It also defines the specific accountabilities and responsibilities of the Board to ensure smooth interaction between the management and the Board. It also reinforces the overall accountability of the Board and management towards the Company and stakeholders. The Board Charter had been updated to be in line with the MCCG 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD RESPONSIBILITIES (Cont'd)

Code of Conduct and Ethics

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

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

During the financial year, the Board composition had been refreshed to in line with the strategic and operational transformation within the Group and the Company. The Board size had been streamlined from nine (9) Board members in 2021 to six (6) members in early January 2022 with Dato' Sri Alias Bin Ahmad at the helm as Independent Non-Executive Chairman. Currently, the Board comprises three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

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

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

Role and activities of Nomination Committee

The Board had 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 and its changes are as follows:

- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Chairman) (appointed on 4 January 2022)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Dr. Salihin Bin Abang, Independent Non-Executive Director (Member)
- Mr. Lai Chin Tak, Independent Non-Executive Director (Chairman) (resigned on 4 January 2022)
- Mr. Yong Kim Fui, Independent Non-Executive Director (Member) (resigned on 6 October 2021)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD COMPOSITION (Cont'd)

Role and activities of Nomination Committee (Cont'd)

The Board has delegated to the NC the following responsibilities:

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

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

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

Nomination and appointment process

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

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

Annual Assessment Process

- The NC annually reviews the required mix of skills, experience, diversity and other qualities, including overall core competencies and effectiveness of the Board, the Board Committees and contribution of each individual Directors. All evaluation carried out by the NC in the discharge of its functions should be properly documented.
- The assessment is performed annually and internally facilitated. The evaluation process is facilitated by the Company Secretary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD COMPOSITION (Cont'd)

Annual Assessment Process (Cont'd)

- The Performance Appraisal Forms are designed with reference to the performance evaluation criteria and assessment as recommended in the Corporate Governance Guide for conducting the annual assessments of Board and Board Committees and individual Directors, and assesses the independence of the Independent Directors.
- Prior to NC meeting, the respective Performance Appraisal Forms are circulated to the NC members and all Board members via electronic-mail.
- The Company Secretary compiles and summarises the performance rating to facilitate the NC review.
- At the NC meeting, the NC discusses the performance of the Board and Board Committees, and each individual Director.
- The NC then reports the outcome of the assessments to the Board for its review.

Re-election of Directors

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

Conflict of interest

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

Directors' Training

The Directors are aware of the need for continuous update of their skills and knowledge to 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
Mr. Dirk Johann Quinten	Corruption Risk Management	26 – 27 Apr 2021
	Reimagine Leadership and Governance, Not Capitalism	7 Oct 2021
Dr. Tee Kim Siong	Malaysian Students' Technology Week: Catalysis of Cloud Computing	21 August 2021
	Smart Government and Public Services: Powering A Digital Nation	7 & 8 September 2021
Dr. Salihin Bin Abang	Audit of Going Concern, Subsequent Events, Related Parties, Capital Commitments and Audit Opinions	19-20 Jan 2021
	Unclaimed Money Act 1965	02 Feb 2021
	Confirmation Fraud Case Studies: Leveraging on Technology to Reduce Risk of Fraud	25 Feb 2021
	Qualified Risk Director (QRD): Risk Oversight Practices & Corporate Culture and ERM	02 Mar 2021
	"ESG in the new normal: A corporation's lens"	17 Mar 2021
	LHDNM-CTIM Tax Forum 2021	23 Mar 2021
	Case Study-Based MFRS Webinar: Case Study Approach to Lease Transactions	26 Mar 2021
	AOB TRAINING: International Standard on Quality Management (ISQM) 1 - Quality Management for Firms That Perform Audits or Reviews of Financial Statements, Or Other Assurance or Related Services Engagements & International Standard on Auditing (ISA) 220 - Quality Control for An Audit of Financial Statements	05 Apr 2021
	Bicara Ikon Usahawan DPIM: The Role of Board of Directors in Malaysian Listed Companies	11 Apr 2021
	International Standard on Quality Management (ISQM) 2: Engagement Quality Reviews	14 Apr 2021
	Accounting for Tangible and Intangible Assets	16 Apr 2021
	Case Studies in Accounting for Deferred Taxation	19 Apr 2021
	8th MFPC e-Conference on Shariah Wealth Management & Financial Planning	20 Apr 2021
	Risk Management Conference 2021	21 Apr 2021
	Pre & Post IPO Rules and Key Updates to Listing Requirements	22 Apr 2021
	Market Manipulation and Securities Fraud	26 Apr 2021
	MFRS 2020/2021: The Important Updates and Things to Look for (with illustrations)	19 May 2021
	Pathway to Equity Capital via Initial Public Offering (IPO)	27 May 2021

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)	MIA International Accountant Conference 2021	08 -10 Jun 2021
	Share Buy-Back, and Dealings in Listed Securities, Closed Period and Insider Trading	16 Jun 2021
	Towards A Comprehensive System of Corporate Reporting: Communication of Long-Term Value Creation	22 Jun 2021
	Section 17A of the MACC ACT 2009 - The Introduction of Corporate Liability	23 July 2021
	TYMBA Talk Session - Professional Accountancy: Leading through Crisis and Preparing for the Future (Panellist)	25 July 2021
	National Tax Conference 2021	27-28 Jul 2021
	Business Transformation Post Covid	4 Aug 2021
	Corporate Directors Summit 2021: Governance 4.0 (Panellist)	17 Aug 2021
	Global Summit of Integrated Reporting Communities	14 Oct 2021
	Tax Budget 2021	10 Nov 2021
	Seminar Percukaian Kebangsaan 2021	16 Nov 2021
	2022 Budget Seminar	30 Nov 2021
	ICAN 51st Annual Accountants' Conference (Panellist)	1 Dec 2021
	Anti-Bribery and Corruption Training for G3 Global Berhad	23 Feb 2022

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) (appointed on 4 January 2022)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Dr. Salihin Bin Abang, Independent Non-Executive Director (Member)
- Mr. Lai Chin Tak, Independent Non-Executive Director (Chairman) (resigned on 4 January 2022)
- Mr. Yong Kim Fui, Independent Non-Executive Director (Member) (resigned on 6 October 2021)

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

REMUNERATION (Cont'd)

Directors' remuneration

The Board applies Practice 8.1 of the MCGG 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 2021 are disclosed below:-

GROUP and COMPANY

Non-Executive Directors

No.	Name	Directors' Fees RM	Other Emoluments RM	Total RM
1.	Dato' Sri Alias Bin Ahmad (Independent and Non-Executive Chairman) (appointed on 4 January 2022)	–	–	–
2.	Mr. Kunal Tayal (Non-Independent Non-Executive Director) (appointed on 26 November 2021)	2,378	–	2,378
3.	Dr. Salihin Bin Abang (Independent Non-Executive Director)	50,000	–	50,000
4.	Datuk Haji Khan Bin Mohd Akram Khan (Non-Independent Non-Executive Director) (Resigned on 26 November 2021)	18,750	–	18,750
5.	En. Ahmad Rizan Bin Ibrahim (Non-Independent Non-Executive Director) (Resigned on 26 November 2021)	5,910	–	5,910
6.	Mr. Puan Chan Cheong (Non-Independent Non-Executive Director) (Resigned on 4 January 2022)	25,000	–	25,000
7.	Mr. Lai Chin Tak (Independent Non-Executive Director) (Resigned on 4 January 2022)	55,000	–	55,000
8.	Mr. Yong Kim Fui (Independent Non-Executive Director) (Resigned on 6 October 2021)	37,500	–	37,500

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	Bonus RM	Directors' fee RM	Total RM
1.	Dato' Sri Aminul Islam Bin Abdul Nor (Executive Director) (appointed on 26 November 2021)	–	–	2,378	2,378
2.	Mr. Dirk Johann Quinten (Managing Director)	493,999	–	–	493,999
3.	Dr. Tee Kim Siong (Executive Director)	–	–	25,000	25,000
4.	Datuk Wan Khalik Bin Wan Muhammad (Executive Chairman) (resigned on 4 January 2022)	–	–	30,000	30,000
5.	En. Ahmad Rizan Bin Ibrahim (Executive Director) (Re-designated to Non-Independent Non-Executive Director on 2 August 2021)	138,540	–	–	138,540

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

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

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 to Main Market Listing Requirements. The AC members and its changes are as follows:-

- Dr. Salihin Bin Abang, Independent Non-Executive Director (Chairman) (re-designated from AC member to AC Chairman on 4 January 2022)
- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Mr. Yong Kim Fui, Independent Non-Executive Director (Chairman) (resigned on 6 October 2021)
- Mr. Lai Chin Tak, Independent Non-Executive Director (Member) (resigned on 4 January 2022)

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

AUDIT COMMITTEE (Cont'd)

Financial Reporting

Practice 9.5 of the MCCG recommends AC should possess an appropriate mix of skills, experience and expertise. The Directors provide a balanced and meaningful assessment of the Group's position and prospects through the annual financial statements and quarterly announcements of results to the shareholders. The Audit Committee of the Board assists by 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 possess a mix of accounting and financial expertise, as well as industry knowledge to enable them to assume the responsibility on overseeing the financial report of the Group and the Company, effectively.

Relationship with External Auditors

The Group has, through the AC, established a transparent and appropriate relationship with the Group's External Auditors. The AC is responsible to oversee the relationships with the External Auditors, the selection process, review the scope of the audit, and monitor the independence and effectiveness of the External Auditors and remuneration payable to them. The AC assesses the suitability, objectivity and independence of the External Auditors as per Practice 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.

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.

The 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 2021.

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 and changes are as follows:

- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Chairman) (appointed on 4 January 2022)
- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Dr. Salihin Bin Abang, Independent Non-Executive Director (re-designated from Chairman to Member on 4 January 2022)
- Mr. Yong Kim Fui, Independent Non-Executive Director (Member) (resigned on 6 October 2021)
- Mr. Lai Chin Tak, Independent Non-Executive Director (Member) (resigned on 4 January 2022)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

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 annual risk report for decision making and review respectively;
- Commissioning where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company; and
- Reviewing and proposing the Company's risk appetite and its acceptable tolerance level annually.

Internal Audit Function

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

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 of 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 and printed. Quarterly announcement 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 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.

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

This report is approved by the Board on 13 April 2022.

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.

INTERNAL AUDIT

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 contribute 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 2021 was RM56,000 (2020: RM56,000).

RISK MANAGEMENT

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

OTHER KEY ELEMENTS OF RISK AND CONTROL PROCESS

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of G3 Global Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2021.

COMPOSITION OF COMMITTEE

During the financial year and up to the date of approving this report, the composition the Audit Committee ("AC") and its changes are as follows:

- Dr. Salihin Bin Abang, Independent Non-Executive Director (Chairman) (re-designated from AC Member to AC Chairman on 4 January 2022)
- Dato' Sri Alias Bin Ahmad, Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Mr. Kunal Tayal, Non-Independent Non-Executive Director (Member) (appointed on 4 January 2022)
- Mr. Yong Kim Fui, Independent Non-Executive Director (Chairman) (resigned as AC Chairman on 6 October 2021)
- Mr. Lai Chin Tak, Independent Non-Executive Director (Member) (resigned as AC Member on 4 January 2022)

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

AUDIT COMMITTEE REPORT

(CONT'D)

REVIEW OF THE AUDIT COMMITTEE PERFORMANCE

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

MEETINGS

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

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

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

The procedures of the meeting of the AC 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 AC.

During the financial year ended 31 December 2021 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 MEETING HELD	
	Year 2021	1/1/2022 up to the date of approving this report
Dr. Salihin Bin Abang	4/4	1/1
Dato' Sri Alias Bin Ahmad	n/a**	1/1
Mr. Kunal Tayal	n/a**	1/1
Mr. Yong Kim Fui	3/4©	n/a©
Mr. Lai Chin Tak	4/4	n/a∞

n/a = not applicable

**Appointed as AC Member on 4 January 2022.

©Resigned as AC Chairman on 6 October 2021.

∞Resigned as AC Member on 4 January 2022.

AUDIT COMMITTEE REPORT

(CONT'D)

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 on the quarterly financial results.
2. Reviewing with the External Auditors their audit plan and management letter.
3. Meet up twice with the External Auditors without the presence of Executive Members.
4. Reviewing the draft Audited Financial Statements for the Board approval.
5. Reviewing with the Internal Auditors their audit plan, management letter and audit findings.
6. Reviewing the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
7. Considering the Audit and Non-Audit fees.
8. Assessing the performance of the External Auditors and recommending to the Board for re-appointment of External Auditors of the Company.
9. Reviewing the recurrent related party transactions and any related party transaction and conflict of interest situation.
10. Discussing various significant internal and external audit issues within the Group and operating environment.
11. Reviewing any related party transactions and conflict of interest situation that may arise within the Group or Company.
12. Confirming the minutes and the AC meetings.

INTERNAL AUDIT AND RISK MANAGEMENT

The AC oversees the Internal Audit function. With the assistance of an outsourced independent internal auditors, namely TASB, 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 AC. 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 2021 include the following:

- * Conduct internal audit reviews on operational and financial risks of the Group; and
- * Reporting the results of the internal audit and making recommendation for appropriate actions to be taken and being carried out to mitigate probable risk areas.

This report is approved by the Board on 13 April 2022.

OTHER INFORMATION

UTILISATION OF PROCEEDS

There were no corporate proposals undertaken by the Company to raise funds during the financial year ended 31 December 2021.

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	RM49,000	RM114,000
Non-audit Fees	RM 4,000	RM 4,000

LIST OF PROPERTY

There was no property held by the Company during the financial year ended 31 December 2021 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 2021 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 2021 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 25 June 2021 and EGM on 8 April 2022 (RM)	31 Dec 2021 (RM)
Atilze	Atilze	Green Packet, Green Packet (S) Pte Ltd	Sales of Wireless Equipment and Router	Green Packet, Green Packet (S) Pte Ltd, Green Packet Holdings Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	10,000,000	5,519

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 25 June 2021 and EGM on 8 April 2022 (RM)	31 Dec 2021 (RM)
Atilze	Green Packet, Roadmio Technologies Pte Ltd	Atilze	Purchases of Connected Car Devices	Green Packet, Green Packet Holdings Ltd, Roadmio Technologies Pte Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	10,000,000	–
AG3, G3 Global	Green Packet, Kiplepay	AG3, G3 Global	Provision of e-wallet as a service, setting up e-commerce platform, payment gateway and digital marketing services	Green Packet, Kiplepay, Green Packet Holdings Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	12,000,000	–
G3 Global, AG3, Maasdots, Atilze AI, Myedge AI	AGA Touch, Clarity, AGA Global	G3 Global, AG3, Maasdots, Atilze AI, Myedge AI	Procuring of Big Data services involving complex and massive data analytics techniques and technologies	AGA Touch, AGA Global, Clarity, Datuk Haji Khan, Datin Yasmine	8,000,000	–
G3 Global	G3 Global	Green Packet, Kiplepay, Kiple	Distributorship for AI equipment and services such as thermal scanners, face recognition systems and backend software.	Green Packet, Kiplepay, Kiple Green Packet Holdings Ltd, Puan Chan Cheong, Tan Kay Yen and Liew Kok Seong	18,000,000	24,280

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 25 June 2021 and EGM on 8 April 2022 (RM)	31 Dec 2021 (RM)
Bestinet Healthcare	Bestinet Healthcare	Bestinet, Bestinet Technology	Medical support services covering : 1) Supply of Covid-19 kits for testing 2) Provision of Covid-19 tests and related services including swabbing by medical personnel and engaging lab for test results 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.	Dato' Sri Aminul Islam Bin Abdul Nor, Kunal Tayal	25,000,000 35,000,000 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 2021.

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 for the financial year	<u>10,397,946</u>	<u>9,041,360</u>
<u>Attributable to:-</u>		
Owners of the Company	11,297,832	9,041,360
Non-controlling interests	<u>(899,886)</u>	<u>-</u>
	<u>10,397,946</u>	<u>9,041,360</u>

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.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital was increased from RM74,316,236 to RM81,746,389 by the issuance of 93,932,325 new ordinary shares pursuant to warrants exercise at the exercise price of RM0.10 and RM0.03 per share after bonus issued. As a result, the number of ordinary shares was increased from 468,162,362 to 562,094,687.

The shareholders of the Company, by an ordinary resolution passed at the Extraordinary General Meeting held on 5 February 2021, approved the bonus issue of 1,602,152,061 new ordinary shares on the basis of three (3) bonus shares for every one (1) existing ordinary shares held. The issued and fully paid-up ordinary share capital of the Company was increased from 562,094,687 to 2,164,246,748. The bonus shares were issued as fully paid, at zero consideration and without capitalisation of the Company's reserves.

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 (Appointed on 4 January 2022)

Dato' Sri Aminul Islam Bin Abdul Nor* (Appointed on 26 November 2021)

Kunal Tayal* (Appointed on 26 November 2021)

Dirk Johann Quinten*

Dr. Salihin Bin Abang

Dr. Tee Kim Siong

Datuk Wan Khalik Bin Wan Muhammad (Resigned on 4 January 2022)

Puan Chan Cheong (Resigned on 4 January 2022)

Lai Chin Tak (Resigned on 4 January 2022)

Datuk Haji Khan Bin Mohd Akram Khan (Resigned on 26 November 2021)

Ahmad Rizan Bin Ibrahim (Resigned on 26 November 2021)

Yong Kim Fui (Resigned on 6 October 2021)

Hew Wee Choong (Alternate Director to Puan Chan Cheong) (Ceased on 24 December 2021)

* 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:-

Datuk Wan Khalik Bin Wan Muhammad	Tan Kay Yen
Datuk Haji Khan Bin Mohd Akram Khan	Abdullah Junaidi Bin Monil
Puan Chan Cheong	Muhammad Asri Bin Haris
Ahmad Rizan Bin Ibrahim	Dr. Abdullah Sher Kawi Bin Jaafar
Lim Boon Hong	(Appointed on 11 June 2021)
Liew Kok Seong	Yap Kon Min (Resigned on 11 June 2021)
Wang Zhijun	Tengku Abu Bakar Ahmad Bin Tengku Abdullah
Xue Feng	(Resigned on 11 June 2021)
Zhao Shounian	Dato' Rathakrishnan A/L Vellaisamy
Cheok Tuan Oon	(Resigned on 1 April 2021)
Jeremy Khalif Lee Pheng Yau	Md. Radzi Bin Din (Resigned on 2 July 2021)

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 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 1.1.2021/ Date of appointment	Bonus issued	Sold	At 31.12.2021
The Company				
Direct interest:-				
Puan Chan Cheong	5,250,000	-	(5,250,000)	-
Deemed interest:-				
Puan Chan Cheong *	132,000,000	108,361,000	(240,361,000)	-
Datuk Wan Khalik Bin Wan Muhammad ^	132,168,700	396,506,100	-	528,674,800
Dato' Sri Aminul Islam Bin Abdul Nor #	537,888,900	-	-	537,888,900
	Number of warrants			
	At 1.1.2021	Bonus issued	Sold	At 31.12.2021
The Company				
Deemed interest:-				
Puan Chan Cheong *	76,312,500	228,937,500	-	305,250,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

- * Deemed interest by virtue of shareholdings in Green Packet Berhad.
- ^ Deemed interest by virtue of shareholdings in Global Man Capital Sdn. Bhd..
- # Deemed interest by virtue of shareholdings in Greenfield Hills Sdn. Bhd., Dream Life Travels Sdn. Bhd., Data Bliss Sdn. Bhd. and Instacloud Sdn. Bhd..

By virtue of their interests in the shares of the Company, Datuk Wan Khalik Bin Wan Muhammad and Dato' Sri Aminul Islam Bin Abdul Nor are also deemed to have interests in the shares of all the subsidiaries, to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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

DIRECTORS' REMUNERATION AND BENEFITS

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

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefit disclosed in the Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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 the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

The subsequent events after the financial year are disclosed in Note 31 to the financial statements.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

Details of Auditors' remuneration are set out in Note 21 to the financial statements.

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

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
13 April 2022

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 66 to 149 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 2021 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
13 April 2022

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 66 to 149 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)
13 April 2022)

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

Before me,

MUHAMMAD FAIZ DHARMENDRA BIN ABDULLAH
(W737)
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 2021, 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 66 to 149.

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 2021 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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

The risk

Refer to Note 8 to the financial statements. We focused on this area because the Group and the Company have material amount of trade receivables that amounted to RM14,790,385 and RM1,547,133 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.

Our response

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 tested the operating effectiveness of the relevant control procedures that management has put in place.

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)

Kuala Lumpur
13 April 2022

LIM CHOOI LING
(NO: 03537/11/2022 (J))
CHARTERED ACCOUNTANT

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	673,253	1,448,044	224,710	226,575
Investment in subsidiaries	5	-	-	101,490	979,908
Intangible assets	6	-	129,776	-	-
Total non-current assets		673,253	1,577,820	326,200	1,206,483
Current assets					
Inventories	7	806,549	2,961,862	569,852	579,843
Trade receivables	8	14,790,385	8,283,933	1,547,133	935,935
Other receivables	9	3,691,562	10,351,539	304,761	3,165,593
Amount due from subsidiaries	10	-	-	7,976,170	5,980,939
Tax recoverable		3,861	628	-	-
Cash and cash equivalents	11	9,386,501	5,760,609	4,118,437	4,178,858
Total current assets		28,678,858	27,358,571	14,516,353	14,841,168
TOTAL ASSETS		29,352,111	28,936,391	14,842,553	16,047,651
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:-					
Share capital	12	81,746,389	74,316,236	81,746,389	74,316,236
Warrant reserve	13	8,400,460	16,286,765	8,400,460	16,286,765
Other reserve	13	(8,400,460)	(16,286,765)	(8,400,460)	(16,286,765)
Accumulated losses		(59,182,570)	(47,884,738)	(69,178,591)	(60,137,231)
		22,563,819	26,431,498	12,567,798	14,179,005
Non-controlling interests		956,190	30,244	-	-
Total equity		23,520,009	26,461,742	12,567,798	14,179,005

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021 (CONT'D)

		Group		Company	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
(CONT'D)					
LIABILITIES					
Current liabilities					
Trade payables	14	3,967,014	1,386,815	1,300,792	1,345,506
Other payables	15	1,096,097	648,575	800,972	344,184
Contract liabilities	16	-	75,833	-	-
Lease liabilities	17	172,991	344,155	172,991	178,956
Tax payable		<u>596,000</u>	<u>19,271</u>	<u>-</u>	<u>-</u>
Total current liabilities/Total liabilities		<u>5,832,102</u>	<u>2,474,649</u>	<u>2,274,755</u>	<u>1,868,646</u>
TOTAL EQUITY AND LIABILITIES		<u><u>29,352,111</u></u>	<u><u>28,936,391</u></u>	<u><u>14,842,553</u></u>	<u><u>16,047,651</u></u>

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	18	23,599,693	15,028,774	1,752,237	3,214,054
Cost of sales		<u>(20,410,392)</u>	<u>(14,384,567)</u>	<u>(1,556,849)</u>	<u>(2,827,260)</u>
Gross profit		3,189,301	644,207	195,388	386,794
Other income		1,712,606	410,979	166,419	2,228,669
Administrative expenses		(6,035,513)	(10,133,922)	(5,141,046)	(2,898,678)
Net loss on impairment of financial assets		(5,405,848)	(1,936,703)	(2,835,275)	(23,073,552)
Other expenses		<u>(2,851,975)</u>	<u>(2,476,017)</u>	<u>(979,908)</u>	<u>(2,239,489)</u>
Operating loss		(9,391,429)	(13,491,456)	(8,594,422)	(25,596,256)
Finance income	19	177,919	117,771	160,498	36,542
Finance costs	20	<u>(7,792)</u>	<u>(18,990)</u>	<u>(7,792)</u>	<u>(8,446)</u>
Loss before tax	21	(9,221,302)	(13,392,675)	(8,441,716)	(25,568,160)
Tax expense	22	<u>(1,176,644)</u>	<u>(2,165)</u>	<u>(599,644)</u>	<u>-</u>
Loss for the financial year/ Total comprehensive loss for the financial year		<u><u>(10,397,946)</u></u>	<u><u>(13,394,840)</u></u>	<u><u>(9,041,360)</u></u>	<u><u>(25,568,160)</u></u>
Total comprehensive loss attributable to:-					
Owners of the Company		(11,297,832)	(13,388,222)	(9,041,360)	(25,568,160)
Non-controlling interests		<u>899,886</u>	<u>(6,618)</u>	<u>-</u>	<u>-</u>
		<u><u>(10,397,946)</u></u>	<u><u>(13,394,840)</u></u>	<u><u>(9,041,360)</u></u>	<u><u>(25,568,160)</u></u>
Loss per share attributable to owners of the Company:-					
Basic loss per share (sen)	23	(0.53)	(0.65)		
Diluted loss per share (sen)	23	<u>(0.47)</u>	<u>(0.54)</u>		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Attributable to Owners of the Company					Non-controlling interests RM	Total equity RM
		Share capital RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM		
Group								
Balance at 1 January 2020		74,302,576	16,301,539	(16,301,539)	(34,496,516)	39,806,060	35,568	39,841,628
Total comprehensive loss for the financial year		-	-	-	(13,388,222)	(13,388,222)	(6,618)	(13,394,840)
Transactions with owners:-								
Issuance of shares pursuant to warrant exercise	12, 13	13,660	(14,774)	14,774	-	13,660	-	13,660
Acquisition of equity interest from Non-controlling interests		-	-	-	-	-	1,294	1,294
Total transactions with owners		13,660	(14,774)	14,774	-	13,660	1,294	14,954
Balance at 31 December 2020		74,316,236	16,286,765	(16,286,765)	(47,884,738)	26,431,498	30,244	26,461,742
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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

			----- Non-distributable -----		-Distributable-	
	<u>Note</u>	<u>Share capital</u> RM	<u>Warrant reserve</u> RM	<u>Other reserve</u> RM	<u>Accumulated losses</u> RM	<u>Total equity</u> RM
Company						
Balance at 1 January 2020		74,302,576	16,301,539	(16,301,539)	(34,569,071)	39,733,505
Total comprehensive loss for the financial year		-	-	-	(25,568,160)	(25,568,160)
<u>Transaction with owners:-</u>						
Issuance of shares pursuant to warrant exercise	12, 13	13,660	(14,774)	14,774	-	13,660
Balance at 31 December 2020		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)
<u>Transaction with owners:-</u>						
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		<u>81,746,389</u>	<u>8,400,460</u>	<u>(8,400,460)</u>	<u>(69,178,591)</u>	<u>12,567,798</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
OPERATING ACTIVITIES				
Loss before tax	(9,221,302)	(13,392,675)	(8,441,716)	(25,568,160)
Adjustments for:-				
Net impairment losses/(gain) on financial assets:-				
- trade receivables	2,863,694	893,561	(710,422)	777,958
- other receivables	2,542,154	1,043,142	2,542,154	1,043,142
- amount due from subsidiaries	-	-	1,003,543	21,252,452
Amortisation of intangible assets	-	1,120,018	-	-
Bad debts written off	386,863	-	-	-
Deposits written off	-	200	-	-
Depreciation of property, plant and equipment	457,484	656,074	271,244	155,892
Loss/(Gain) on lease modification	4,010	(9,757)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(589)	891	-	-
Goodwill written off	204,142	1,295	-	-
Impairment loss on:-				
- investment in subsidiaries	-	-	979,908	2,214,731
- intangible assets	-	2,262,290	-	-
- property, plant and equipment	103,677	-	-	-
Interest expenses	7,792	18,990	7,792	8,446
Interest income	(177,919)	(117,771)	(160,498)	(36,542)
Inventories written down	2,153,282	-	-	-
Loss/(Gain) on disposal of subsidiaries	-	5,086	-	(4,317)
Property, plant and equipment written off	-	10,209	-	-
Unrealised (gain)/loss on foreign exchange	(21,785)	183,312	11,840	(12,240)
Waiver of debt on amount due from subsidiaries	-	-	13,462	-
Waiver of debt on amount due from a disposed subsidiary	-	-	-	24,742
Waiver of debt on amount due to subsidiaries	-	-	-	(1,862,667)
Operating loss before working capital changes	(698,497)	(7,325,135)	(4,482,693)	(2,006,563)
Changes in working capital:-				
Inventories	140,031	(1,948,740)	9,991	(579,843)
Contract liabilities	(75,833)	(8,101)	-	-
Receivables	(5,605,263)	8,469,634	417,902	2,003,288
Payables	2,829,072	(3,342,146)	400,234	848,944
Net cash (used in)/generated from operations	(3,410,490)	(4,154,488)	(3,654,566)	265,826
Tax paid	(603,148)	(2,793)	(599,644)	-
Net cash (used in)/from operating activities	(4,013,638)	(4,157,281)	(4,254,210)	265,826

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	<u>Note</u>	Group		Company	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		RM	RM	RM	RM
INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash acquired		(50,007)	(1)	(51,000)	(6,401)
Addition investment in a subsidiary		-	-	(50,490)	-
(Advance to)/Repayment from subsidiaries		-	-	(3,012,236)	399,347
Interest received		177,919	117,771	160,498	36,542
Proceeds from disposal of property, plant and equipment		314,389	3,375	-	-
Net cash (outflows)/inflows from disposal of subsidiaries		-	(62,418)	-	2,500
Purchase of property, plant and equipment	A	<u>(12,220)</u>	<u>(152,304)</u>	<u>(12,220)</u>	<u>(54,430)</u>
Net cash from/(used in) investing activities		<u>430,081</u>	<u>(93,577)</u>	<u>(2,965,448)</u>	<u>377,558</u>
FINANCING ACTIVITIES					
Interest paid		(7,792)	(18,990)	(7,792)	(8,446)
Subscription of shares in a subsidiary by non-controlling interests		48,510	-	-	-
Proceeds from issuance of shares		7,430,153	13,660	7,430,153	13,660
Repayments of lease liabilities		<u>(263,124)</u>	<u>(335,528)</u>	<u>(263,124)</u>	<u>(149,081)</u>
Net cash from/(used in) financing activities		<u>7,207,747</u>	<u>(340,858)</u>	<u>7,159,237</u>	<u>(143,867)</u>
CASH AND CASH EQUIVALENTS					
Net changes		3,624,190	(4,591,716)	(60,421)	499,517
Effect of foreign currency translation differences		1,702	(897)	-	-
Brought forward		<u>5,760,609</u>	<u>10,353,222</u>	<u>4,178,858</u>	<u>3,679,341</u>
Carried forward		<u>9,386,501</u>	<u>5,760,609</u>	<u>4,118,437</u>	<u>4,178,858</u>

NOTE TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Total additions	269,379	531,294	269,379	382,467
Less: Acquired under lease liabilities	(257,159)	(328,037)	(257,159)	(328,037)
Less: Reclassified to inventories	-	(50,953)	-	-
Total cash purchase	<u>12,220</u>	<u>152,304</u>	<u>12,220</u>	<u>54,430</u>

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	At 1.1.2021 RM	Addition RM	Cash flows RM	Expiration RM	Termination RM	At 31.12.2021 RM
Lease liabilities	<u>344,155</u>	<u>257,159</u>	<u>(263,124)</u>	<u>-</u>	<u>(165,199)</u>	<u>172,991</u>
	At 1.1.2020 RM	Addition RM	Cash flows RM	Expiration RM	Termination RM	At 31.12.2020 RM
Lease liabilities	<u>803,732</u>	<u>328,037</u>	<u>(335,528)</u>	<u>(24,689)</u>	<u>(427,397)</u>	<u>344,155</u>

Company

	At 1.1.2021 RM	Addition RM	Cash flows RM	At 31.12.2021 RM
Lease liabilities	<u>178,956</u>	<u>257,159</u>	<u>(263,124)</u>	<u>172,991</u>
	At 1.1.2020 RM	Addition RM	Cash flows RM	At 31.12.2020 RM
Lease liabilities	<u>-</u>	<u>328,037</u>	<u>(149,081)</u>	<u>178,956</u>

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021

1. GENERAL INFORMATION

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

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan. The principal place of business of the Company is located at L2-17 & L2-18, Level 2, Gamuda Walk, Persiaran Anggerik Vanilla, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and information and communication technology 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 13 April 2022.

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 2021 (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 2021 (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 New Standards/Amendments/Improvements to MFRSs

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

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2021.

The initial application of new standards/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 the financial period beginning on or after 1 April 2021:-

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 MFRSs (cont'd)

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

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 intend to adopt these new and amended standards, if applicable, when they become effective in the respective financial period (cont'd).

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

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

Amendments to MFRSs effective for a date yet to be confirmed

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
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* Not applicable to the Company.

Not applicable to the Group.

The initial application of the above new and amended standards are not expected to have material financial impact to the financial statements.

2.5 Significant Accounting Estimates and Judgements

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

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.

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 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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

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.

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 8, 9 and 10 to the financial statements.

Income taxes

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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)

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.

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 statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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)

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

- 31 DECEMBER 2021 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.2 Significant Management Judgement (cont'd)

Capitalisation and amortisation of intangible assets

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

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

Leases

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation

3.1.1 Subsidiaries

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

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

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

3.1.2 Basis of Consolidation

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.16 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

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business Combinations and Goodwill

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.4 Loss of Control

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

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

3.1.5 Acquisitions of Non-controlling Interests

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

3.1.6 Non-controlling Interests

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

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

3.2 Property, Plant and Equipment

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment (cont'd)

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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

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
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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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Leases (cont'd)

3.3.1 As a Lessee (cont'd)

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.

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

Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of business combination over the Group's and the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research and development costs

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible Assets (cont'd)

Research and development costs (cont'd)

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

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

3.6.1.1 Initial Recognition and Categorisation (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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 (cont'd)

Financial Assets at Amortised Cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("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 bank balances.

Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on non-listed equity investments are recognised as other income in the statements of profit or loss when the right of payment has been established. The Group's debt instruments at FVTPL includes investments in quoted shares.

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

- 31 DECEMBER 2021 (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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

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.

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

Trade payables and most of other payables 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 costs 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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

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.

3.7 Inventories

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

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

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

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and demand deposits 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.

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 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 2021 (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 of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 statement 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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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 uncertainty 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

- 31 DECEMBER 2021 (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 Contract Balances

3.14.1 Contract Liabilities

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

3.15 Employee Benefits

3.15.1 Short-term Employee Benefits

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

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

3.15.2 Defined Contribution Plans

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Employee Benefits (cont'd)

3.15.2 Defined Contribution Plans (cont'd)

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.

3.16 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax Expense (cont'd)

3.16.3 Sales Tax

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

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

The net amount of sales tax 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM	Office premises RM	Machinery and factory equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Total RM
Cost						
At 1 January 2020	448,349	402,511	1,193,928	324,748	929,067	3,298,603
Additions	-	328,037	92,108	16,045	95,104	531,294
Disposals	-	-	-	-	(4,740)	(4,740)
Expiration of lease contract	-	(49,378)	-	-	-	(49,378)
Termination of lease contract	(448,349)	-	-	-	-	(448,349)
Written off	-	-	-	-	(15,039)	(15,039)
At 31 December 2020	-	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
Accumulated depreciation						
At 1 January 2020	30,709	19,702	602,672	56,677	215,783	925,543
Charge for the financial year	-	341,995	95,097	33,260	185,722	656,074
Disposals	-	-	-	-	(474)	(474)
Expiration of lease contract	-	(24,689)	-	-	-	(24,689)
Termination of lease contract	(30,709)	-	-	-	-	(30,709)
Written off	-	-	-	-	(4,830)	(4,830)
At 31 December 2020	-	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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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

Group (cont'd)	Land RM	Office premises RM	Machinery and factory equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Total RM
Accumulated impairment losses						
At 1 January 2020/31 December 2020	-	-	343,432	-	-	343,432
Charge for the financial year	-	-	103,677	-	-	103,677
At 31 December 2021	-	-	447,109	-	-	447,109
Net carrying amount						
At 31 December 2021	-	171,440	79,277	158,613	263,923	673,253
At 31 December 2020	-	344,162	244,835	250,856	608,191	1,448,044

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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 2020	-	-	-	-	-
Additions	328,037	599	16,045	37,786	382,467
At 31 December 2020	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
Accumulated depreciation					
At 1 January 2020	-	-	-	-	-
Charge for the financial year	153,084	70	786	1,952	155,892
At 31 December 2020	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
Net carrying amount					
At 31 December 2021	171,440	409	13,655	39,206	224,710
At 31 December 2020	174,953	529	15,259	35,834	226,575

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

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
Office premises	<u>171,440</u>	<u>344,162</u>	<u>171,440</u>	<u>174,953</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

5. INVESTMENT IN SUBSIDIARIES

	Company	
	<u>2021</u>	<u>2020</u>
	RM	RM
Unquoted shares, at cost	6,059,658	5,958,168
Less: Accumulated impairment losses		
Brought forward	4,978,260	2,763,529
Addition	979,908	2,214,731
Carried forward	5,958,168	4,978,260
	<u>101,490</u>	<u>979,908</u>

Investment in subsidiaries are impaired at reporting date when the net asset of the subsidiary is lower than cost of investment.

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

Name of company	Effective equity interest		Principal activities
	<u>2021</u>	<u>2020</u>	
Direct subsidiaries			
G.A. Blue Apparel Sdn. Bhd.	100%	100%	Dormant
Delison Sdn. Bhd.	100%	100%	Dormant
Lensan Sdn. Bhd.	100%	100%	Dormant
Sebico Jaya Trading Co. Sdn. Bhd.	100%	100%	Dormant
Atilze Solutions Sdn. Bhd. (“ASSB”)	100%	100%	Sales of information, communications and technology (“ICT”) equipment, devices, wholesale voice and IT products and services. However, the subsidiary is dormant during the financial year.
Atilze 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.
AG3 Sdn. Bhd. (“AG3SB”)	60%	60%	Provide security guards digital platform services. However, the subsidiary is dormant during the financial year.
G3 Technologies Sdn. Bhd. (“GTSB”)	100%	100%	Provision of AI solutions. However, the subsidiary is dormant during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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		Principal activities
	2021	2020	
Direct subsidiaries (cont'd)			
Bestinet Healthcare Sdn. Bhd. ("BHSB")	51%	-	Premier healthcare distributor for hospital equipment, pharmaceuticals and hospital consumables.
Indirect subsidiary			
<u>Subsidiary of ADSB</u>			
Connected Mobility Technologies Sdn. Bhd. ("CMTSB")	55%	55%	Sales of information, communications and technology ("ICT") equipment, devices, wholesale voice and IT products and services. However, the subsidiary is dormant during the financial year.

2021

Acquisition of a subsidiary

- (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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

2021 (cont'd)

Acquisition of a subsidiary (cont'd)

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

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

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.

Non-controlling interests in subsidiaries

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

	Bestinet Healthcare Sdn. Bhd.	Others individually immaterial subsidiaries	Total
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)	<u>919,052</u>	<u>(19,166)</u>	<u>899,886</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

2021 (cont'd)

Non-controlling interests in subsidiaries (cont'd)

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

2020	Others individually immaterial subsidiaries	Total
Percentage of ownership interest and voting interest (%)	40 - 45	
Carrying amount of NCI (RM)	30,244	30,244
Loss allocated to NCI (RM)	(6,618)	(6,618)

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

	2021 RM
BHSB	
Financial position as at 31 December	
Current assets	13,260,322
Current liabilities	(11,284,706)
Net assets	1,975,616
Summary of financial performance for the financial period ended 31 December	
Profit for the financial period/Total comprehensive income	1,875,616
Summary of cash flows for the financial period ended 31 December	
Net cash outflow from operating activities	(7,768,200)
Net cash inflow from financing activities	8,071,359
Net cash inflow	303,159

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

2020

Acquisition of subsidiaries

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

Increase in stake of a subsidiary

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

Disposal of a subsidiary

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

	<u>MSB</u> RM
Group	
Fair value of identifiable net liabilities	
Other receivables	14,000
Cash and bank balances	6,923
Other payables	(9,020)
Amount due to related companies	(62,312)
Total identifiable net liabilities	<u>(50,409)</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

2020 (cont'd)

Disposal of a subsidiary (cont'd)

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

	<u>MSB</u> RM
Group (cont'd)	
Cash consideration	2,500
Cash received directly from MSB	4,317
Waiver of debts	<u>(62,312)</u>
Fair value of consideration	(55,495)
Fair value of identifiable net liabilities	<u>(50,409)</u>
Loss on disposal of a subsidiary	<u><u>5,086</u></u>
Cash consideration	2,500
Cash received directly from MSB	4,317
Less: Waiver of debts	(62,312)
Less: Cash and cash equivalents disposed	<u>(6,923)</u>
Net cash outflow from disposal of a subsidiary	<u><u>(62,418)</u></u>
Company	
Cash consideration	2,500
Cash received directly from MSB	4,317
Less: Investments cost in a subsidiary	<u>(2,500)</u>
Gain on disposal of a subsidiary	<u><u>4,317</u></u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

6. INTANGIBLE ASSETS

	<u>Goodwill</u> RM	<u>Development costs</u> RM	<u>Total</u> RM
Group			
Cost			
At 1 January 2020/31 December 2020	129,776	7,186,484	7,316,260
Written off	(129,776)	-	(129,776)
At 31 December 2021	-	7,186,484	7,186,484
Accumulated amortisation			
At 1 January 2020	-	2,651,406	2,651,406
Charge for the financial year	-	1,120,018	1,120,018
At 31 December 2020/31 December 2021	-	3,771,424	3,771,424
Accumulated impairment loss			
At 1 January 2020	-	1,152,770	1,152,770
Charge for the financial year	-	2,262,290	2,262,290
At 31 December 2020/31 December 2021	-	3,415,060	3,415,060
Net carrying amount			
At 31 December 2021	-	-	-
At 31 December 2020	129,776	-	129,776

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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

6. INTANGIBLE ASSETS (CONT'D)

Impairment testing on intangible assets (cont'd)

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.

7. INVENTORIES

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Trading goods	<u>806,549</u>	<u>2,961,862</u>	<u>569,852</u>	<u>579,843</u>
<u>Recognised in profit or loss:-</u>				
Inventories recognised				
as cost of sales	20,330,674	13,565,342	1,478,941	2,779,612
Inventories written down	<u>2,153,282</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

8. TRADE RECEIVABLES

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Gross amount	18,758,847	9,415,381	1,614,669	1,713,893
Less: Impairment losses	<u>(3,968,462)</u>	<u>(1,131,448)</u>	<u>(67,536)</u>	<u>(777,958)</u>
Carrying amount	<u>14,790,385</u>	<u>8,283,933</u>	<u>1,547,133</u>	<u>935,935</u>

Trade receivables are non-interest bearing and credit terms are generally ranged from cash term to 90 days (2020: 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 RM16,796 (2020: RM789,660) due from a company in which a Director has interests (2020: a major shareholder of the Company).

Included in the Group's and the Company's trade receivables are amount of RM3,410,221 and RM8,750 (2020: RM6,123,219 and RM8,750) due from companies in which a Director has interests (2020: subsidiaries of a major shareholder of the Company) respectively.

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

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
At 1 January	1,131,448	237,887	777,958	-
Charge for the financial year	3,849,483	893,561	-	777,958
Reversal for the financial year	(985,789)	-	(710,422)	-
Written off	<u>(26,680)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>3,968,462</u>	<u>1,131,448</u>	<u>67,536</u>	<u>777,958</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

9. OTHER RECEIVABLES

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Non-trade receivables	3,937,834	4,017,316	3,590,557	3,995,816
Less: Impairment losses				
At 1 January	1,043,142	-	1,043,142	-
Addition	2,542,154	1,043,142	2,542,154	1,043,142
At 31 December	<u>3,585,296</u>	<u>1,043,142</u>	<u>3,585,296</u>	<u>1,043,142</u>
Carrying amount	352,538	2,974,174	5,261	2,952,674
Refundable deposits	311,402	7,258,193	261,402	139,840
Advances to suppliers	2,973,149	9,240	-	-
Prepayments	49,142	104,601	38,098	73,079
GST recoverable	<u>5,331</u>	<u>5,331</u>	<u>-</u>	<u>-</u>
	<u>3,691,562</u>	<u>10,351,539</u>	<u>304,761</u>	<u>3,165,593</u>

Included in the Group's non-trade receivables is an amount of RM40 (2020: 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 and Company's non-trade receivables is an amount of RM1,241 (2020: Nil) due from a company in which a Director has interests (2020: a major shareholder of the Company). The amount is unsecured, non-interest bearing and repayable on demand.

Included in Group's non-trade receivables is an amount of RM326,591 (2020: Nil) due from companies in which certain Directors have interests (2020: subsidiaries of a major shareholder of the Company). The amounts are unsecured, non-interest bearing and repayable on demand.

Included in the Group's deposits is an amount of RM50,000 (2020: RM5,050,000) relating to preliminary consultancy works for an AI Park and an amount of Nil (2020: RM2,000,000) relating to the advances under business development activities in AI and security business.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

10. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	<u>2021</u>	<u>2020</u>
	RM	RM
<u>Amount due from subsidiaries:-</u>		
Gross amount	53,706,782	50,708,008
Less: Impairment losses		
At 1 January	44,727,069	25,166,913
Charge for the financial year	1,003,543	21,252,452
Written off during the financial year	-	(1,692,296)
At 31 December	<u>45,730,612</u>	<u>44,727,069</u>
Carrying amount	<u>7,976,170</u>	<u>5,980,939</u>

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

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Short-term investments	-	3,500,000	-	3,500,000
Cash and bank balances	<u>9,386,501</u>	<u>2,260,609</u>	<u>4,118,437</u>	<u>678,858</u>
	<u>9,386,501</u>	<u>5,760,609</u>	<u>4,118,437</u>	<u>4,178,858</u>

The effective interest rates of the short-term investments is ranging from 1.67% to 1.72% (2020: 1.05% to 3.22%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

12. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	<u>2021</u> Units	<u>2020</u> Units	<u>2021</u> RM	<u>2020</u> RM
Issued and fully paid with no par value:-				
At 1 January	468,162,362	468,025,762	74,316,236	74,302,576
Allotment of shares pursuant to warrant exercise	93,932,325	136,600	7,430,153	13,660
Bonus issue	<u>1,602,152,061</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>2,164,246,748</u>	<u>468,162,362</u>	<u>81,746,389</u>	<u>74,316,236</u>

During the financial year, the Company has completed a bonus issue of 1,602,152,061 ordinary shares in the Company on the basis of three (3) bonus shares for every one (1) existing shares following the listing and quotation for the bonus shares on the Main Market of Bursa Malaysia Securities Berhad.

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. During the financial year, 93,932,325 Warrants were exercised.

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.

The movements of the warrants are as follows:-

	Group and Company			
	Number of warrants		Amount	
	<u>2021</u> Units	<u>2020</u> Units	<u>2021</u> RM	<u>2020</u> RM
At 1 January	150,587,616	150,724,216	16,286,765	16,301,539
Bonus issue	254,097,873	-	-	-
Exercised during the financial year	<u>(93,932,325)</u>	<u>(136,600)</u>	<u>(7,886,305)</u>	<u>(14,774)</u>
At 31 December	<u>310,753,164</u>	<u>150,587,616</u>	<u>8,400,460</u>	<u>16,286,765</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

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

The main features of the Warrants are as follows:-

- (i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM0.10 per ordinary share. 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.

14. TRADE PAYABLES

The trade payables are non-interest bearing and credit terms are generally ranged from cash term to 90 days (2020: cash term to 90 days).

Included in the Group's trade payables is an amount of RM126 (2020: RM126) due to a company in which a Director has interests (2020: a subsidiary of a major shareholder of the Company).

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

15. OTHER PAYABLES

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Non-trade payables	505,181	493,991	299,160	267,164
Accrual of expenses	587,669	153,565	500,355	76,001
Deposit	1,790	-	-	-
Sales tax payable	1,457	1,019	1,457	1,019
	<u>1,096,097</u>	<u>648,575</u>	<u>800,972</u>	<u>344,184</u>

Included in the Group's non-trade payables are amount of RM38,258 (2020: RM8,632 and RM33,433) due to companies in which a Director has interests (2020: a major shareholder of the company and subsidiaries of a major shareholder of the Company respectively). The amounts are unsecured, non-interest bearing and repayable on demand.

16. CONTRACT LIABILITIES

	Group	
	<u>2021</u>	<u>2020</u>
	RM	RM
Contract liabilities arising from receiving deposits for sales orders	<u>-</u>	<u>75,833</u>

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

In prior financial year, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM75,833. The Group expected to recognise this revenue over the next 12 months.

The movements in contract liabilities are as follows:-

	Group	
	<u>2021</u>	<u>2020</u>
	RM	RM
At 1 January	75,833	83,934
Additions	-	49,808
Recognised as revenue	<u>(75,833)</u>	<u>(57,909)</u>
At 31 December	<u>-</u>	<u>75,833</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

17. LEASE LIABILITIES

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Current	<u>172,991</u>	<u>344,155</u>	<u>172,991</u>	<u>178,956</u>

The maturity analysis of lease liabilities is disclosed in Note 27.2 to the financial statements.

The interest rates of the lease liabilities is 5.46% (2020:3.82% to 5.46%) per annum.

The total cash outflow for leases for the Group and the Company amounted to RM273,076 and RM273,076 (2020: RM373,993 and RM158,607) respectively.

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

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Depreciation of right-of-use assets	260,672	341,995	260,672	153,084
Interest expense	7,792	18,990	7,792	8,446
Short-term leases	-	6,552	-	-
Leases of low value assets	2,160	5,400	2,160	1,080
Variable lease payments	-	7,523	-	-
	<u>270,624</u>	<u>380,460</u>	<u>270,624</u>	<u>162,610</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

18. REVENUE

Disaggregated revenue information

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
<u>Recognised at a point in time:-</u>				
- Sales of ICT products and solutions	2,161,849	14,165,015	1,752,237	3,214,054
- Sales of healthcare products	21,437,844	-	-	-
- Services rendered	-	127,920	-	-
- Others	-	83,199	-	-
	<u>23,599,693</u>	<u>14,376,134</u>	<u>1,752,237</u>	<u>3,214,054</u>
<u>Recognised over time:-</u>				
- Services rendered	-	652,640	-	-
Total revenue from contracts with customers	<u>23,599,693</u>	<u>15,028,774</u>	<u>1,752,237</u>	<u>3,214,054</u>
Geographical markets				
- Malaysia	23,599,693	11,761,968	1,752,237	3,214,054
- Singapore	-	3,266,806	-	-
Total revenue from contracts with customers	<u>23,599,693</u>	<u>15,028,774</u>	<u>1,752,237</u>	<u>3,214,054</u>

19. FINANCE INCOME

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
Short-term deposits	134,193	26,541	134,060	26,541
Cash at bank	43,726	91,230	26,438	10,001
	<u>177,919</u>	<u>117,771</u>	<u>160,498</u>	<u>36,542</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

20. FINANCE COST

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
Interest on lease liabilities	<u>7,792</u>	<u>18,990</u>	<u>7,792</u>	<u>8,446</u>

21. LOSS BEFORE TAX

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

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
Auditor's remuneration:				
- Statutory audit	114,000	101,000	49,000	51,000
- Other services	4,000	5,000	4,000	5,000
Amortisation of intangible assets	-	1,120,018	-	-
Bad debts written off	386,863	-	-	-
Deposits written off	-	200	-	-
Depreciation of property, plant and equipment	457,484	656,074	271,244	155,892
(Gain)/Loss on disposal of property, plant and equipment	(589)	891	-	-
Property, plant and equipment written off	-	10,209	-	-
Realised (gain)/loss on foreign exchange	(1,173)	(38,572)	(110)	16
Unrealised (gain)/loss on foreign exchange	<u>(21,785)</u>	<u>183,312</u>	<u>11,840</u>	<u>(12,240)</u>

22. TAX EXPENSE

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
<u>Current tax:-</u>				
Provision for current financial year	596,271	764	-	-
Under provision in prior financial year	<u>580,373</u>	<u>1,401</u>	<u>599,644</u>	-
	<u>1,176,644</u>	<u>2,165</u>	<u>599,644</u>	-

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

22. TAX EXPENSE (CONT'D)

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
<u>Deferred tax:-</u>				
Current financial year	(5,000)	-	(5,000)	-
Under recognised in prior financial year	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
	-	-	-	-
Total expenses	<u>1,176,644</u>	<u>2,165</u>	<u>599,644</u>	<u>-</u>

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

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Loss before tax	<u>(9,221,302)</u>	<u>(13,392,675)</u>	<u>(8,441,716)</u>	<u>(25,568,160)</u>
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(2,213,112)	(3,214,241)	(2,026,012)	(6,136,358)
<u>Tax effects in respect of:-</u>				
Income not subject to tax	(439,244)	(115,993)	-	(534,881)
Expenses not deductible for tax purposes	1,844,747	2,100,038	1,213,012	6,358,519
Movement of deferred tax assets not recognised	1,398,880	1,230,960	808,000	312,720
Under provision of tax expense in prior financial year	580,373	1,401	599,644	-
Under recognised of deferred tax in prior financial year	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
	<u>1,176,644</u>	<u>2,165</u>	<u>599,644</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

22. 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 1.1.2020/31.12.2020	-	-	-	-
Recognised during the financial year	6,000	(2,000)	(4,000)	-
As at 31.12.2021	6,000	(2,000)	(4,000)	-

Unrecognised deferred tax assets

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

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
Property, plant and equipment	161,000	78,000	-	-
Unutilised business losses	33,709,000	29,980,000	3,369,000	-
Unabsorbed capital allowances	1,645,000	1,433,000	-	-
Others	2,307,000	500,000	-	-
	<u>37,822,000</u>	<u>31,991,000</u>	<u>3,369,000</u>	<u>-</u>

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 2019, the unutilised business losses of the Company as at 31 December 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised business losses will be disregarded. The existing time limit to carry forward unutilised business losses to be extended to 10 consecutive years as announced in the Annual Budget 2022.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

22. TAX EXPENSE (CONT'D)

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

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Year of assessment:-				
2025	-	18,449,000	-	-
2026	-	6,748,000	-	-
2027	-	4,783,000	-	-
2028	18,449,000	-	-	-
2029	6,748,000	-	-	-
2030	4,783,000	-	-	-
2031	<u>3,729,000</u>	<u>-</u>	<u>3,369,000</u>	<u>-</u>
	<u>33,709,000</u>	<u>29,980,000</u>	<u>3,369,000</u>	<u>-</u>

23. 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	
	<u>2021</u>	<u>2020</u>
	RM	RM
Loss attributable to owners of the Company	<u>(11,297,832)</u>	<u>(13,388,222)</u>
Weighted average number of ordinary shares (unit)	<u>2,148,813,776</u>	<u>2,070,264,239</u>
Basic loss per share (sen)	<u>(0.53)</u>	<u>(0.65) *</u>

* Comparative figures for the weighted average number of ordinary shares used in the calculation of basic and diluted loss per share have been restated to reflect the increase number of shares arising from the bonus issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

23. 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	
	<u>2021</u> RM	<u>2020</u> RM
Loss attributable to owners of the Company	<u>(11,297,832)</u>	<u>(13,388,222)</u>
Weighted average number of ordinary shares (unit)	2,148,813,776	2,070,264,239
Effects of warrants outstanding (unit)	<u>261,686,875</u>	<u>387,962,948</u>
	<u>2,410,500,651</u>	<u>2,458,227,187</u>
Diluted loss per share (sen)	<u>(0.47)</u>	<u>(0.54)</u>

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	<u>2021</u> RM	<u>2020</u> RM	<u>2021</u> RM	<u>2020</u> RM
Salaries and other emoluments	2,323,819	4,879,372	2,130,813	1,325,141
Defined contribution plans	211,394	475,711	186,464	118,399
Social security contribution	13,546	28,104	11,842	7,015
Directors' fee	<u>251,916</u>	<u>269,646</u>	<u>251,916</u>	<u>269,646</u>
	<u>2,800,675</u>	<u>5,652,833</u>	<u>2,581,035</u>	<u>1,720,201</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

24. 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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
<u>Executive Directors of the</u>				
<u>Company:-</u>				
Existing Directors				
- Salaries and other emoluments	493,406	380,040	493,406	380,040
- Defined contribution plans	-	12,000	-	12,000
- Social security contribution	593	592	593	592
- Directors' fee	57,378	64,646	57,378	64,646
	<u>551,377</u>	<u>457,278</u>	<u>551,377</u>	<u>457,278</u>
<u>Non-executive Directors of</u>				
<u>the Company:-</u>				
Existing Directors				
- Directors' fee	132,378	205,000	132,378	205,000
	<u>132,378</u>	<u>205,000</u>	<u>132,378</u>	<u>205,000</u>
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	-
	<u>200,700</u>	<u>-</u>	<u>200,700</u>	<u>-</u>
<u>Executive Directors of the</u>				
<u>subsidiaries:-</u>				
Existing Directors				
- Salaries and other emoluments	-	301,500	-	-
- Defined contribution plans	5,850	36,000	-	-
- Social security contribution	-	924	-	-
	<u>5,850</u>	<u>338,424</u>	<u>-</u>	<u>-</u>
Total Directors' remuneration	<u>890,305</u>	<u>1,000,702</u>	<u>884,455</u>	<u>662,278</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Sales to a subsidiary	-	-	-	209,400
Sales to related parties	393,048	8,848,685	24,280	26,550
Sales of property, plant and equipment to related parties	314,303	-	-	-
Purchases from related parties	-	5,477,000	-	-
Purchase of property, plant and equipment from a subsidiary	-	-	-	3,329

- (b) The outstanding balances arising from related party transactions at the reporting date are disclosed in Notes 8, 9, 10, 14 and 15 to the financial statements.
- (c) Key management personnel are defined 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 24 to the financial statements.

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

	Group and Company	
	<u>2021</u>	<u>2020</u>
	RM	RM
Salaries and other emoluments	312,095	117,540
Defined contribution plans	37,440	14,100
Social security contribution	828	345
	<u>350,363</u>	<u>131,985</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

26. 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) Investment holding | Investment activities in unquoted securities held by the Group on a long-term basis. |
| (ii) Apparels | Manufacturing, marketing, distribution and retailing of jeanswear, other fashion apparels and accessories. However, all companies under Apparels are dormant for the financial years 2020 and 2021. |
| (iii) Information, communications and technology ("ICT") | Supply of telecommunication solutions, services and related products. |
| (iv) Healthcare | Premier healthcare distributor for hospital equipment, pharmaceuticals and hospital consumables. |

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

26. SEGMENTAL INFORMATION (CONT'D)

Business segments

	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

- 31 DECEMBER 2021 (CONT'D)

26. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Note	Investment holding RM	Apparels RM	ICT RM	Total RM	Elimination RM	Total RM
Group (cont'd)							
2020							
Revenue:							
External sales		-	-	15,542,744	15,542,744	(513,970)	15,028,774
Results:							
Finance income		(36,542)	-	(81,229)	(117,771)	-	(117,771)
Finance costs		8,446	-	10,544	18,990	-	18,990
Depreciation and amortisation		155,892	-	1,620,200	1,776,092	-	1,776,092
Other non-cash income/(expenses)		23,077,869	-	2,589,952	25,667,821	(21,277,592)	4,390,229
Taxation	A	-	-	2,165	2,165	-	2,165
Segment loss	B	(23,185,659)	(192,049)	(11,857,412)	(35,235,120)	21,741,499	(13,493,621)
Assets:							
Segment assets	C	14,531,873	456	21,339,476	35,871,805	(7,065,818)	28,805,987
Additions to non-current assets	D	379,138	-	152,156	531,294	-	531,294
Liabilities:							
Segment liabilities	E	-	36,302	58,058,086	58,094,388	(55,983,165)	2,111,223

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

26. 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	
	<u>2021</u>	<u>2020</u>
	RM	RM
Impairment loss on financial assets	(5,405,848)	(1,936,703)
Bad debts written off	(386,863)	-
Deposits written off	-	(200)
(Loss)/Gain on lease modification	(4,010)	9,757
Goodwill written off	(204,142)	(1,295)
Impairment loss on property, plant and equipment	(103,677)	-
Impairment loss on intangible assets	-	(2,262,290)
Gain/(Loss) on disposal of property, plant and equipment	589	(891)
Loss on disposal of subsidiaries	-	(5,086)
Inventories written down	(2,153,282)	-
Property, plant and equipment written off	-	(10,209)
Unrealised gain/(loss) on foreign exchange	21,785	(183,312)
	<u>(8,235,448)</u>	<u>(4,390,229)</u>

- 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	
	<u>2021</u>	<u>2020</u>
	RM	RM
Segment loss	(10,568,073)	(13,493,621)
Finance income	177,919	117,771
Finance costs	(7,792)	(18,990)
	<u>(10,397,946)</u>	<u>(13,394,840)</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

26. 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	
	<u>2021</u>	<u>2020</u>
	RM	RM
Segment assets	29,348,250	28,805,987
Intangible assets	-	129,776
Tax recoverable	3,861	628
	<u>29,352,111</u>	<u>28,936,391</u>

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

	Group	
	<u>2021</u>	<u>2020</u>
	RM	RM
Property, plant and equipment	<u>269,379</u>	<u>531,294</u>

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

	Group	
	<u>2021</u>	<u>2020</u>
	RM	RM
Segment liabilities	5,063,111	2,111,223
Lease liabilities	172,991	344,155
Tax payables	596,000	19,271
	<u>5,832,102</u>	<u>2,474,649</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

26. SEGMENTAL INFORMATION (CONT'D)

Geographical segments

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

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

	Revenue		Non-current assets	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Group				
<u>Segment results:-</u>				
Malaysia	23,599,693	11,761,968	673,253	1,448,044
Singapore	-	3,266,806	-	-
	<u>23,599,693</u>	<u>15,028,774</u>	<u>673,253</u>	<u>1,448,044</u>

Information about major customers

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

	Segment	RM	%
2021			
Customer A	Healthcare	<u>21,413,844</u>	<u>91</u>
2020			
Customer A	ICT	5,555,329	37
Customer B	ICT	<u>3,266,806</u>	<u>22</u>
		<u>8,822,135</u>	<u>59</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS

27.1 Categories of Financial Instruments

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

	Carrying <u>Amount</u> RM	<u>AC</u> RM	<u>FVTPL</u> RM
2021			
Group			
<u>Financial assets</u>			
Trade receivables	14,790,385	14,790,385	-
Other receivables	3,637,089	3,637,089	-
Cash and cash equivalents	9,386,501	9,386,501	-
	<u>27,813,975</u>	<u>27,813,975</u>	<u>-</u>
<u>Financial liabilities</u>			
Trade payables	3,967,014	3,967,014	-
Other payables	1,094,640	1,094,640	-
	<u>5,061,654</u>	<u>5,061,654</u>	<u>-</u>
Company			
<u>Financial assets</u>			
Trade receivables	1,547,133	1,547,133	-
Other receivables	266,663	266,663	-
Amount due from subsidiaries	7,976,170	7,976,170	-
Cash and cash equivalents	4,118,437	4,118,437	-
	<u>13,908,403</u>	<u>13,908,403</u>	<u>-</u>
<u>Financial liabilities</u>			
Trade payables	1,300,792	1,300,792	-
Other payables	799,515	799,515	-
	<u>2,100,307</u>	<u>2,100,307</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 Categories of Financial Instruments (cont'd)

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

	Carrying <u>Amount</u> RM	<u>AC</u> RM	<u>FVTPL</u> RM
2020			
Group			
<u>Financial assets</u>			
Trade receivables	8,283,933	8,283,933	-
Other receivables	10,241,607	10,241,607	-
Cash and cash equivalents	5,760,609	2,260,609	3,500,000
	<u>24,286,149</u>	<u>20,786,149</u>	<u>3,500,000</u>
<u>Financial liabilities</u>			
Trade payables	1,386,815	1,386,815	-
Other payables	647,556	647,556	-
	<u>2,034,371</u>	<u>2,034,371</u>	<u>-</u>
Company			
<u>Financial assets</u>			
Trade receivables	935,935	935,935	-
Other receivables	3,092,514	3,092,514	-
Amount due from subsidiaries	5,980,939	5,980,939	-
Cash and cash equivalents	4,178,858	678,858	3,500,000
	<u>14,188,246</u>	<u>10,688,246</u>	<u>3,500,000</u>
<u>Financial liabilities</u>			
Trade payables	1,345,506	1,345,506	-
Other payables	343,165	343,165	-
	<u>1,688,671</u>	<u>1,688,671</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial Risk Management

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

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

(a) Credit Risk

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

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

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

Receivables

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Group and the Company use three categories to reflect its credit risk and how the loss allowance is determined for each of those categories for financial assets other than trade receivables. A summary of the assumptions underpinning the Group's and the Company's expected credit losses model is as follows:-

Category	Definition of categories	Basis of recognising expected credit loss
Performing	Receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected credit losses
Underperforming	Receivables for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime expected credit losses
Non-performing	Receivables which are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred.	Lifetime expected credit losses

Based on the above, loss allowance is derived as follows:-

- (i) the likelihood that the debtor would not be able to repay during the contractual period;
- (ii) the percentage of contractual cash flows that will not be collected if default happens; and
- (iii) the outstanding amount that is exposed to default risk.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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:-

Group	Gross carrying <u>amount</u> RM	Loss allowance <u>Collective</u> RM	<u>Individual</u> RM	Net <u>balances</u> RM
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
	<u>18,758,847</u>	<u>(16,916)</u>	<u>(3,951,546)</u>	<u>14,790,385</u>
2020				
Current (Not past due)	84,369	(751)	-	83,618
1-30 days past due	26,968	(302)	-	26,666
31-60 days past due	435,910	(6,785)	-	429,125
61-90 days past due	36,621	(643)	-	35,978
91-120 days past due	950,780	(17,158)	-	933,622
More than 120 days past due	7,880,733	(318,087)	(787,722)	6,774,924
	<u>9,415,381</u>	<u>(343,726)</u>	<u>(787,722)</u>	<u>8,283,933</u>
Company				
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
	<u>1,614,669</u>	<u>(16,916)</u>	<u>(50,620)</u>	<u>1,547,133</u>
2020				
31-60 days past due	8,750	(79)	-	8,671
61-90 days past due	14,000	(188)	-	13,812
91-120 days past due	930,101	(16,649)	-	913,452
More than 120 days past due	761,042	-	(761,042)	-
	<u>1,713,893</u>	<u>(16,916)</u>	<u>(761,042)</u>	<u>935,935</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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 88% (2020: 75%) of total Group's trade receivables which were due from 2 (2020: 2) major customers and 92% (2020: 99%) of total Company's trade receivables which were due from 2 (2020: 2) major customers.

In respect of most of the other receivables, the Group and the Company are not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

The net carrying amount of receivables is considered a reasonable approximate of its fair value. The maximum exposure to credit risk is the carrying value of each class of receivables as disclosed in Notes 8, 9 and 10 to the financial statements.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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:-

		Contractual cash flow		
			Current	Non-current
	Carrying amount RM	Total RM	Within 1 year RM	2 to 5 years RM
2021				
Group				
<u>Non-derivative financial liabilities</u>				
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	-
	<u>5,234,645</u>	<u>5,238,206</u>	<u>5,238,206</u>	<u>-</u>
Company				
<u>Non-derivative financial liabilities</u>				
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	-
	<u>2,273,298</u>	<u>2,276,859</u>	<u>2,276,859</u>	<u>-</u>
2020				
Group				
<u>Non-derivative financial liabilities</u>				
Trade payables	1,386,815	1,386,815	1,386,815	-
Other payables	647,556	647,556	647,556	-
Lease liabilities	344,155	351,012	351,012	-
	<u>2,378,526</u>	<u>2,385,383</u>	<u>2,385,383</u>	<u>-</u>
Company				
<u>Non-derivative financial liabilities</u>				
Trade payables	1,345,506	1,345,506	1,345,506	-
Other payables	343,165	343,165	343,165	-
Lease liabilities	178,956	182,640	182,640	-
	<u>1,867,627</u>	<u>1,871,311</u>	<u>1,871,311</u>	<u>-</u>

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 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
Fixed rate instrument				
Short-term investment/				
Net financial asset	-	3,500,000	-	3,500,000

Sensitivity Analysis for Fixed Rate Instruments

The Group and the Company do not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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"), Indonesian Rupiah ("IDR") and Euro Dollar ("EUR").

Foreign currency denominated financial assets and liabilities which expose the Group and the Company to currency risk are disclosed below. The amount shown was reported to key management and translated into RM at the closing rate:-

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 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):-

	<u>USD</u> RM	<u>SGD</u> RM	<u>IDR</u> RM	<u>EUR</u> RM
2020				
Group				
<u>Financial assets</u>				
Trade receivables	6,256,013	-	-	-
Other receivables	9,240	-	-	-
Cash and cash equivalents	50,323	-	-	-
	6,315,576	-	-	-
<u>Financial liabilities</u>				
Trade payables	(322,142)	(9,184)	-	(1,037)
Other payables	(19,664)	-	(2,228)	-
Net exposure	<u>5,973,770</u>	<u>(9,184)</u>	<u>(2,228)</u>	<u>(1,037)</u>
Company				
<u>Financial liability</u>				
Trade payables	(321,360)	-	-	-
Net exposure	<u>(321,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Sensitivity Analysis for Foreign Currency Risk

Below demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against RM, with all other variables held constant, of the Group's and the Company's loss before tax. A 10% (2020: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/decreased loss before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial Risk Management (cont'd)

(d) Foreign Currency Risk (cont'd)

Sensitivity Analysis for Foreign Currency Risk (cont'd)

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
USD	621,398	597,377	(33,320)	(32,136)
SGD	(918)	(918)	-	-
IDR	(223)	(223)	-	-
EUR	-	(104)	-	-
	<u>620,257</u>	<u>596,132</u>	<u>(33,320)</u>	<u>(32,136)</u>

28. FAIR VALUE MEASUREMENT

28.1 Fair Value Measurement of Financial Instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature and insignificant impact of discounting.

The following table shows the levels within the hierarchy of financial instruments for which fair value is disclosed as at the end of the reporting period:-

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Total	Carrying
	RM	RM	RM	fair value	amount
				RM	RM
2020					
Group and Company					
Short-term investments	<u>3,500,000</u>	-	-	<u>3,500,000</u>	<u>3,500,000</u>

Policy on Transfer Between Levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, level 2 and level 3 during the financial year.

Level 1 Fair Value

Level 1 fair value of short-term investments is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

29. CAPITAL MANAGEMENT

Total capital managed at the Group level is the shareholders' funds as shown in the statements of financial position.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise the shareholders' value.

The Group manages its capital structure and make adjustment to it, in light of changes in economic condition including the interest rate movements. To maintain and adjust capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

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

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The global and domestic economies encountered unprecedented challenges during the financial year ended 31 December 2021 as a result of the continuing Covid-19 pandemic. The Malaysian government implemented several counter-measures by imposing strict lockdowns, movement restrictions and closing borders to curb the Covid-19 outbreak in Malaysia. Despite the challenges, there is no any material financial impact on the financial statements of the Group and of the Company.
- (b) On 20 January 2021, the Company has announced to propose revision of the authority to issue shares as approved by the shareholders at the Eighteenth Annual General Meeting held on 29 July 2020 ("Proposed Revision of the Authority to Allot Shares").

On 5 February 2021, the Proposed Revision of the Authority to Allot Shares has been approved by the shareholders.

On 25 March 2021, the number of ordinary shares and warrants of the Company increased 1,602,152,061 and 254,097,873 respectively by way of bonus issue, on the basis of three (3) bonus shares/warrants for each existing ordinary share/warrants held. The bonus shares will be issued at zero consideration and without capitalisation of the Company's reserves.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2021 (CONT'D)

31. SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

On 16 March 2022, the Company had proposed the followings to shareholders:-

- (a) diversification of existing business activities of the Group and the Company into healthcare related business which consist of distribution of COVID-19 test kits, medical equipment, devices, testing and diagnostic products and services, personal protective equipment and other healthcare related products and services;
- (b) private placement of up to 432,849,300 new ordinary shares in the Company, representing 20% of total issued shares to independent third-party investor(s) to be identified later at an issue price to be determined later; and
- (c) increase in the limit for authority to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016 as prescribed under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad from 10% to 20%.

On 24 March 2022, the Group had also proposed new shareholder's mandate for recurrent related party transactions of a revenue or trading nature.

The above proposals were approved by the shareholders at the Extraordinary General Meetings of the Company held on 8 April 2022.

ANALYSIS OF SHAREHOLDINGS

AS AT 14 APRIL 2022

- A.** Total Number of issued shares : 2,164,470,348
 Class of Shares : Ordinary Shares
 Voting Rights : On a poll – One vote for one ordinary share

B. ANALYSIS OF SHAREHOLDINGS AS AT 14 APRIL 2022

Size of shareholdings	No. of shareholders	% of total shareholders	No. of shares	% of total number of issued shares
1 - 99	27	0.3480	603	0.000 [^]
100 – 1,000	435	5.6064	195,888	0.0090
1,001- 10,000	2,053	26.4596	13,208,633	0.6102
10,001 - 100,000	4,020	51.8108	160,739,324	7.4262
100,001 – 108,223,516*	1,221	15.7366	1,119,451,400	51.7194
108,223,517 and above**	3	0.0387	870,874,500	40.2349
Total	7,759	100.00	2,164,470,348	100.00

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

C. SUBSTANTIAL SHAREHOLDERS AS AT 14 APRIL 2022

Name	<-----Number of Shares Held----->			
	Direct	%	Deemed	%
Global Man Capital Sdn Bhd	528,674,800	24.4251	–	–
Datuk Wan Khalik bin Wan Muhammad	–	–	528,674,800 ^(a)	24.4251
Datuk Haji Khan bin Mohd Akram Khan	–	–	528,674,800 ^(a)	24.4251
Greenfield Hills Sdn Bhd	342,199,700	15.8099	–	–
Dato' Sri Aminul Islam Bin Abdul Nor	–	–	537,888,900 ^(b)	24.8508
Muhammad Qhailiz Norman Bin Aminul Islam	–	–	342,199,700 ^(c)	15.8099

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.

D. DIRECTORS' SHAREHOLDINGS AS AT 31 APRIL 2022

Name	<-----Number of Shares Held----->			
	Direct	%	Deemed	%
Dato' Sri Alias Bin Ahmad	–	–	–	–
Dato' Sri Aminul Islam Bin Abdul Nor	–	–	537,888,900 ^(a)	24.8508
Dirk Johann Quinten	–	–	–	–
Dr Tee Kim Siong	–	–	–	–
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.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 SHAREHOLDERS AS AT 14 APRIL 2022

NO	SHAREHOLDER	SHARES	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREENFIELD HILLS SDN BHD	342,199,700	15.8099
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GLOBAL MAN CAPITAL SDN BHD	286,356,000	13.2298
3	GLOBAL MAN CAPITAL SDN BHD	242,318,800	11.1953
4	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DREAM LIFE TRAVELS SDN BHD (THIRD PARTY)	84,715,200	3.9139
5	STERLING AMBIENCE SDN BHD	84,000,000	3.8809
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATABLISS SDN BHD (THIRD PARTY)	71,304,800	3.2943
7	MIED CAPITAL SDN BHD	70,000,000	3.2340
8	MEDINIS SDN BHD	61,570,000	2.8446
9	INSTACLOUD SDN BHD	39,669,200	1.8327
10	MOHAMED IZANI BIN MOHAMED JAKEL	24,800,000	1.1458
11	LUQMAN BIN MOHAMED JAKEL	24,200,000	1.1181
12	MOHAMED FAROZ BIN MOHAMED JAKEL	21,500,000	0.9933
13	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EVEREGION SDN BHD	20,000,000	0.9240
14	MOHAMED FAROZ BIN MOHAMED JAKEL	18,260,000	0.8436
15	TAN SIM HOE	15,380,000	0.7106
16	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANITHA BINTI MOHAMED HANIFFA	11,000,000	0.5082
17	TAN CHONG SENG	11,000,000	0.5082
18	BYTECLOUD SDN BHD	9,882,800	0.4566
19	WONG CHUM HING	8,388,000	0.3875
20	TI LIAN KER	7,550,000	0.3488
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MUTHUKUMAR A/L AYARPADDE (PW-M00144) (550548)	7,350,000	0.3396
22	LEE CHIN LING	6,450,000	0.2980
23	AKARO SDN BHD	6,420,000	0.2966
24	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SARAH PAULINE A/P MELKEES (M&A)	5,534,000	0.2557
25	MEENAMBAL A/P VIJAYAKUMAR	4,751,000	0.2195
26	TAN POH GEAK	4,702,400	0.2173
27	SHARON SHARMILA	4,300,000	0.1987
28	TI LIAN KER	4,156,500	0.1920
29	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM GAIK ENG (LIM4779C)	4,000,000	0.1848
30	LUQMAN BIN MOHAMED JAKEL	4,000,000	0.1848
TOTAL		1,505,758,400	69.5671

ANALYSIS OF WARRANT HOLDINGS

AS AT 14 APRIL 2022

A. WARRANTS 2017/2022

Total Number of	:	658,024,826 ^{^^}
Warrant Issued		
Outstanding	:	310,529,564
Class of Security	:	Warrants 2017/2022
Voting Rights	:	The holders of the Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new G3 Global Berhad ordinary shares

^{^^} The total number of warrants issued comprises of 206,249,978 warrants issued pursuant to the Deed Poll dated 22 August 2017 and the 451,774,848 additional warrants issued arising from the Bonus Issue approved by the shareholders at the Extraordinary General Meeting 1 held on 5 February 2021.

B. ANALYSIS OF WARRANT HOLDINGS

Size of Warrants holdings	No. of Warrants holders	%	No. of Warrants	%
1 – 99	13	11.1111	368	0.0001
100 – 1,000	28	23.9316	8,012	0.0025
1,001 – 10,000	31	26.4957	175,288	0.0564
10,001 – 100,000	37	31.6239	1,381,296	0.4448
100,001 – 15,526,477*	7	5.9829	3,714,600	1.1962
15,526,478 and above **	1	0.8547	305,250,000	98.2998
Total	117	100.00	310,529,564	100.00

REMARK : * - Less than 5% of issued Warrants
: ** - 5% and above of issued Warrants

C. DIRECTORS' WARRANT HOLDINGS

Name	<-----Number of Warrants Held----->			
	Direct	%	Deemed	%
Dato' Sri Alias Bin Ahmad	—	—	—	—
Dato' Sri Aminul Islam Bin Abdul Nor	—	—	—	—
Dirk Johann Quinten	—	—	—	—
Dr Tee Kim Siong	—	—	—	—
Kunal Tayal	—	—	—	—
Dr. Salihin Bin Abang	—	—	—	—

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

LIST OF TOP 30 WARRANTS HOLDERS AS AT 14 APRIL 2022

NO	WARRANTS HOLDERS	WARRANTS	%
1	GREEN PACKET BERHAD	305,250,000	98.2998
2	GAN LAM SEONG	2,054,000	0.6615
3	NGAN CHAI NENG	570,000	0.1836
4	NGAN NAM CHANG	432,000	0.1391
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI KIM CHUAN	210,000	0.0676
6	CHOOI YEN MAY	180,000	0.0580
7	GOH CHUAN KIONG	160,000	0.0515
8	LEE ZI CHOW	108,600	0.0350
9	LEE LEA KUA	85,500	0.0275
10	HENG DING DING	80,000	0.0258
11	NG KIN TONG	77,400	0.0249
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FANG HANG TEIK (E-BMM)	61,800	0.0199
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH TECK WEI (7002758)	60,000	0.0193
14	AW GOH BEE	60,000	0.0193
15	KANG HWA CHONG	60,000	0.0193
16	LEW TEK KEN	60,000	0.0193
17	NORA BINTI ZAINAL	60,000	0.0193
18	TAN BOON WOOL	60,000	0.0193
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE BEE SENG	52,000	0.0167
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SOW PENG (E-KPG)	45,000	0.0145
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG WENG SAN (DESA JAYA-CL)	41,000	0.0132
22	THERESA TEO PEAK YIAN	37,500	0.0121
23	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHUAN CHONG (JB)	35,600	0.0115
24	HO WAN YIN	35,000	0.0113
25	LIM SIEW HONG	32,000	0.0103
26	GOH ENG HONG	30,900	0.0100
27	THEVANAIGAM SUKUMARI CHITTY	30,400	0.0098
28	CHUI TAI WAI	30,000	0.0097
29	MEK SOM BINTI BULAT	30,000	0.0097
30	TEOH WENG SENG	30,000	0.0097
TOTAL		310,058,700	99.8485

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING FROM THE BROADCAST VENUE AT L2-17 & L2-18, LEVEL 2, GAMUDA WALK, PERSIARAN ANGGERIK VANILLA, SEKSYEN 31, KOTA KEMUNING, 40460 SHAH ALAM, SELANGOR ON THURSDAY, 16 JUNE 2022, AT 10.00 A.M. FOR THE PURPOSE OF CONSIDERING THE FOLLOWING BUSINESSES:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. | [Please refer to Explanatory Note 1] |
| 2. | To approve the payment of Directors' fees and benefits for the Non-Executive Directors of the Company amounting to RM310,000 for the financial year ending 31 December 2022. | Ordinary Resolution 1 |
| 3. | To re-elect Dr. Salihin Bin Abang who is retiring by rotation pursuant to Clause 95 of the Company's Constitution. | Ordinary Resolution 2 |
| 4. | To re-elect Dato' Sri Alias Bin Ahmad who is retiring pursuant to Clause 102 of the Company's Constitution. | Ordinary Resolution 3 |
| 5. | To re-elect Dato' Sri Aminul Islam Bin Abdul Nor who is retiring pursuant to Clause 102 of the Company's Constitution. | Ordinary Resolution 4 |
| 6. | To re-elect Mr. Kunal Tayal who is retiring pursuant to Clause 102 of the Company's Constitution. | Ordinary Resolution 5 |
| 7. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESS:

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

8. **ORDINARY RESOLUTION RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE SHARES**

"THAT, subject always to the Companies Act 2016 (the "Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 twenty percent (20%) 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.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

AND THAT the Directors of the Company are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities.”

Ordinary Resolution 7

9. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE”)

“THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies (“**Group**”) to enter into and give effect to the existing recurrent related parties transactions of a revenue or trading nature from time to time with the related parties as set out in Section 2.5 of the Circular to Shareholders dated 29 April 2022 (“**Related Parties**”) provided that such transactions are:

- (a) necessary for the day-to-day operations;
- (b) carried out in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) is revoked or varied by resolution passed by the shareholders of the Company in a general meeting before the next AGM,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate.”

Ordinary Resolution 8

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

By Order of the Board,

WONG YOUN KIM

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

29 April 2022

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

IMPORTANT NOTICE

To curb the spread of the COVID-19, the Company has in place precautionary measures for the Twentieth Annual General Meeting ("20th AGM") in order to safeguard the health of attendees at the 20th AGM. You are requested to read and adhere to the Administrative Guide which can be downloaded from the Company's website or announcement via Bursa Securities' website. The Company has the right to impose any other precautionary measures as guided by the guidelines issued by the Government from time to time.

Notes:

1. The 20th AGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by AGRITEUM Share Registration Services Sdn Bhd in Malaysia ("AGRITEUM Portal") (Domain Registration No. with MYNIC-D1A400977). Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a virtual general meeting are required to participate in the meeting online.
3. 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.
4. 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.
5. Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owners 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.
6. The Form of Proxy must be duly completed and deposited with the Company's Share Registrar at AGRITEUM Share Registration Services Sdn Bhd, 2nd Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Penang at least twenty-four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
7. 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.
8. 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.
9. 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 9 June 2022. 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 2021.**

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 2022**

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 2022 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

3. **Ordinary Resolution 2 – Re-election of Director 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.

Dr. Salihin Bin Abang shall retire by rotation, being eligible had offered himself for re-election at this AGM. His profile and his 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 Dr. Salihin Bin Abang based on a pre-set criteria and was satisfied with his performance in discharging his duties and responsibilities as an Independent Non-Executive Director. He has provided check and balance on the Board, and has played an active role in overseeing the Group's corporate governance, financial performance and risk management especially on areas that have significant impact on the Group's sustainability. Based the above, the Board recognised his contribution and supported the Nomination Committee's recommendation that Dr. Salihin Bin Abang shall continue serving the Board. Hence, the Board seeks the shareholders to vote in favour of this resolution.

4. **Ordinary Resolutions 3, 4 and 5 – Re-election of Directors pursuant to Clause 102 of the Company's Constitution**

Clause 102 of the Company's Constitution provides that a newly appointed Director shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM.

Both Dato' Sri Aminul Islam Bin Abdul Nor and Mr. Kunal Tayal are the new Directors appointed on 26 November 2021, whilst Dato' Sri Alias Bin Ahmad was newly appointed as the Board Chairman on 4 January 2022. Hence, all of them shall retire at this AGM pursuant to the provision of the Constitution, being eligible, they have offered themselves for re-election. Their profile and their 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 suitability of the above new Directors during the recruitment and appointment process. The Board values the contributions that have been given by them in fostering the Group's business growth. The role of Dato' Sri Alias as an Independent Chairman is essential to lead the Board in achieving its business success. 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:

5. *Ordinary Resolution 7 – Renewal of Authority for Directors to issue shares*

The proposed Ordinary Resolution 7, if passed, primarily to renew the general mandate which was given to the Board of Directors of the Company at the Extraordinary General Meeting 2 (“EGM 2”) held on 8 April 2022 to issue and allot shares in the Company up to an amount not exceeding twenty percent (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for the purpose of funding impending and future investment projects, working capital and/or acquisition, repayment of bank borrowings or strategic opportunities involving equity deals in a more flexible and expedient manner (“the previous mandate”). The previous mandate will lapse at the conclusion of this AGM. As at the date of Notice of this AGM, no shares have been issued pursuant to the previous general mandate granted by shareholders at the EGM 2 of the Company.

The Board of Directors wishes to seek the shareholders’ approval for a renewal of the previous mandate at this AGM to provide flexibility to the Company in its capital raising exercises including but not limited to further placement of shares for purpose of funding the Company’s expansion plans, the current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions without having to convene separate general meetings. The Board of Directors is of the view that the general mandates in particular the 20% General Mandate are in the best interest of the Company and its shareholder as it enable the Company to raise more capital to meet its funding requirements. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

6. *Ordinary Resolution 8 - Proposed Renewal of Shareholders’ Mandate*

The proposed Resolution 8, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group’s day-to-day operations and are in the ordinary course of business which carried out on an arm’s length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 29 April 2022 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 its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”). (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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 2021 and Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Circular") of G3 Global Berhad are now available for viewing / downloading from the Company's corporate website at www.g3global.com.my or you may scan the QR code below for the documents.



Shareholders may request for copies of the printed Annual Report 2021 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 2021 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 retiring Directors who are standing for re-election at this forthcoming Annual General Meeting:

1. Dr. Salihin Bin Abang
2. Dato' Sri Alias Bin Ahmad
3. Dato' Sri Aminul Islam Bin Abdul Nor
4. 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 7 as stated in the Notice of Annual General Meeting of the Company for details.

Form of Proxy

G3 GLOBAL BERHAD

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

No. of Shares held

CDS Account No.

Twentieth (20TH) Annual General Meeting

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

of
(full address)

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

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

and / or*

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

or failing him, the Chairperson of the Meeting, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Twentieth (20th) Annual General Meeting of the Company which is to be conducted on a fully virtual basis at the Broadcast Venue at L2-17 & L2-18, Level 2, Gamuda Walk, Persiaran Anggerik Vanilla, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor on Thursday, 16 June 2022 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:-

No.	Ordinary Resolutions	For	Against
1.	Approval of the payment of Directors' fees and benefits for the Non-Executive Directors for the financial year ending 31 December 2022.		
2.	Re-election of Dr. Salihin Bin Abang as Director		
3.	Re-election of Dato' Sri Alias Bin Ahmad as Director		
4.	Re-election of Dato' Sri Aminul Islam Bin Abdul Nor as Director		
5.	Re-election of Mr. Kunal Tayal as Director		
6.	Re-appointment of Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.		
7.	Renewal of Authority for Directors to Issue Shares		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		

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

Dated thisday of.....2022

.....
Signature of Member(s) / Common Seal

*delete whichever is not applicable



^ Manner of execution:

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

Notes:

- 1. A member of a company entitled to attend and vote at a meeting of a company, shall be entitled to appoint any person as his/her proxy to attend and vote instead of the members at the meeting. There shall be no restriction as to the qualification of the proxy.
- 2. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting. A member shall not appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two proxies, to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- 3. Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
- 4. The Form of Proxy must be duly completed and deposited with the Company's Share Registrar at Agriteum Share Registration Services Sdn Bhd, 2nd Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Penang at least twenty four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
- 5. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- 6. The resolutions as set out in the Notice of Annual General Meeting are to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to make available a Record of Depositors ("ROD") as at 9 June 2022. Only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and/or speak and/or vote in his/her behalf.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

**THE SHARE REGISTRAR OF
G3 GLOBAL BERHAD**
Registration No. 200201002733 (570396-D)
AGRITEUM SHARE REGISTRATION SERVICES SDN BHD
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 George Town, Penang
Malaysia

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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