

# 20

## Annual Report

# 22

**M N C Wireless Berhad**

Registration No: 200301033463 (635884-T)

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# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

### **Wong Kok Seong**

Chairman  
Senior Independent Non-Executive Director

### **Thu Soon Shien**

Independent Non-Executive Director

### **Datuk Tan Chor How Christopher**

Chief Executive Officer cum  
Executive Director

### **Pang Siaw Sian**

Non-Independent Non-Executive Director

### **Dato' Kua Khai Shyuan**

Independent Non-Executive Director

### **Dato' Muhammad Shuib Bin Md Hashim**

Independent Non-Executive Director

## **AUDIT COMMITTEE**

### **Thu Soon Shien**

Chairman

### **Wong Kok Seong**

Member

### **Dato' Kua Khai Shyuan**

Member

## **NOMINATION AND REMUNERATION COMMITTEE**

### **Dato' Kua Khai Shyuan**

Chairman

### **Wong Kok Seong**

Member

### **Thu Soon Shien**

Member

## **COMPANY SECRETARY**

### **Tea Sor Hua**

(MACS 01324)  
SSM PC No. 201908001272

## **REGISTERED OFFICE**

Third Floor, No. 77, 79 & 81,  
Jalan SS21/60, Damansara Utama,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.

Tel : +603 7725 1777

Fax : +603 7722 3668

## **HEAD OFFICE, PRINCIPAL PLACE OF BUSINESS AND R&D CENTRE**

100-3.011, 129 Offices,  
Jaya One, No. 72A,  
Jalan Profesor Diraja Ungku Aziz,  
46200 Petaling Jaya,  
Selangor Darul Ehsan.

Tel : +603 7491 1880

Fax : +603 7491 1899

Email : info@mnc.com.my

## **SHARE REGISTRAR**

### **Securities Services (Holdings) Sdn. Bhd.**

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan.

Tel : +603 2084 9000

Fax : +603 2094 9940

+603 2095 0292

## **PRINCIPAL BANKER**

### **CIMB Bank Berhad**

Menara SBB  
83, Medan Setia 1,  
Plaza Damansara,  
Bukit Damansara,  
50490 Kuala Lumpur,  
Wilayah Persekutuan.

Tel : +603 2087 3000

Fax : +603 2710 2840

## **AUDITORS**

### **Ong & Wong Chartered Accountants**

Unit C-20-5, 20th Floor,  
Block C, Megan Avenue II,  
12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur,  
Wilayah Persekutuan.

Tel : +603 2161 1000

Fax : +603 2166 9131

## **STOCK EXCHANGE**

### **ACE Market of Bursa Malaysia Securities Berhad**

#### **Ordinary Shares**

Stock Name : MNC

Stock Code : 0103

#### **Preference Shares**

Stock Name : MNC-PA

Stock Code : 0103PA

#### **Warrants B**

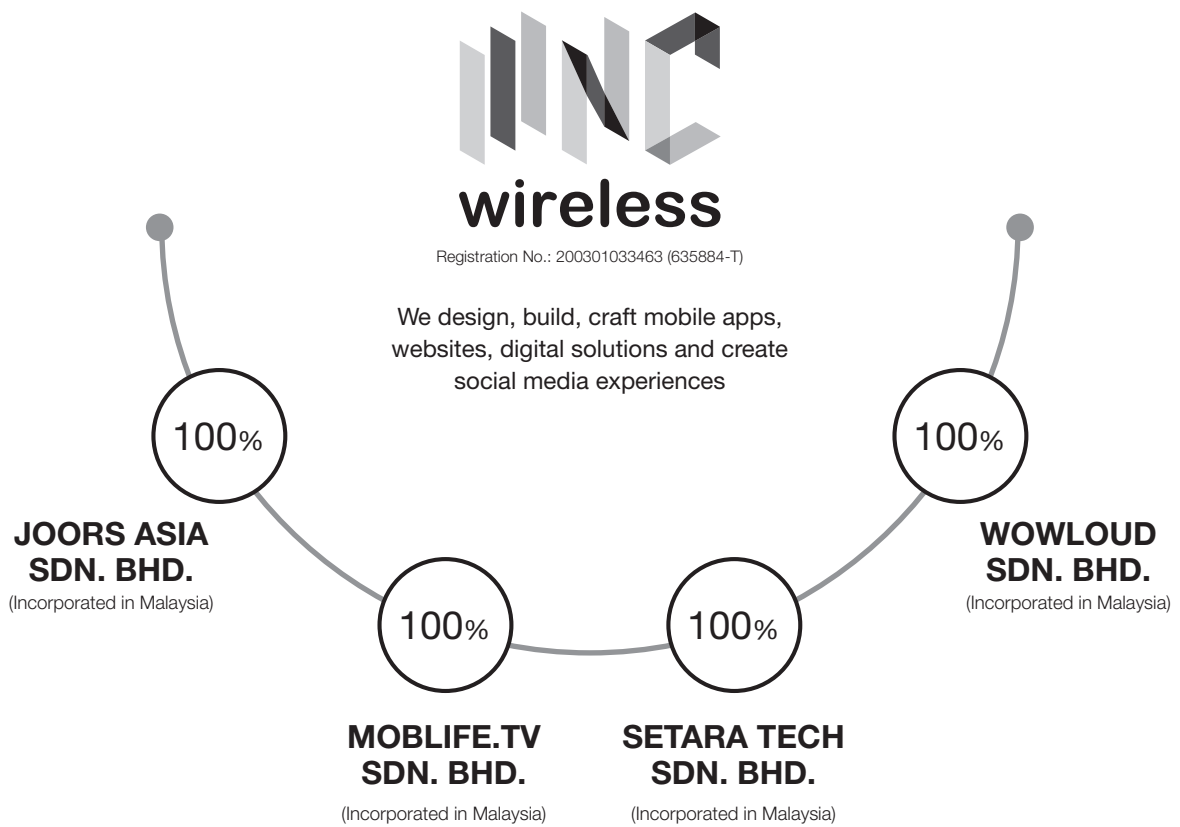
Stock Name : MNC-WB

Stock Code : 0103WB

## **WEBSITE**

www.mnc.com.my

## CORPORATE STRUCTURE

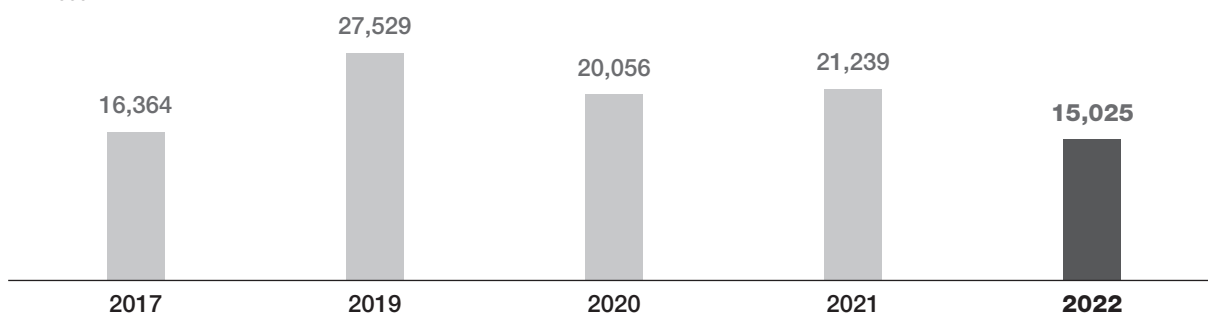


## GROUP FINANCIAL REVIEW

	2017	2019	2020	2021	2022
Revenue (RM'000)	16,364	27,529	20,056	21,239	<b>15,025</b>
Loss After Tax (RM'000)	(699)	(3,394)	(4,085)	(17,776)	<b>(17,455)</b>
Shareholders' Equity (RM'000)	40,219	37,698	80,583	92,904	<b>84,736</b>
Net Asset per share (sen)	8.41	7.88	7.06	5.28	<b>3.71</b>
Loss per share (sen)	(0.16)	(0.52)	(0.48)	(1.23)	<b>(0.95)</b>

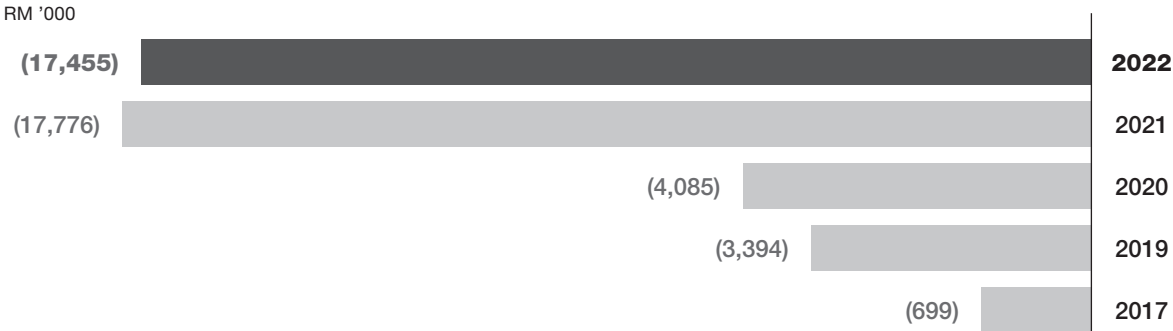
### REVENUE

RM '000



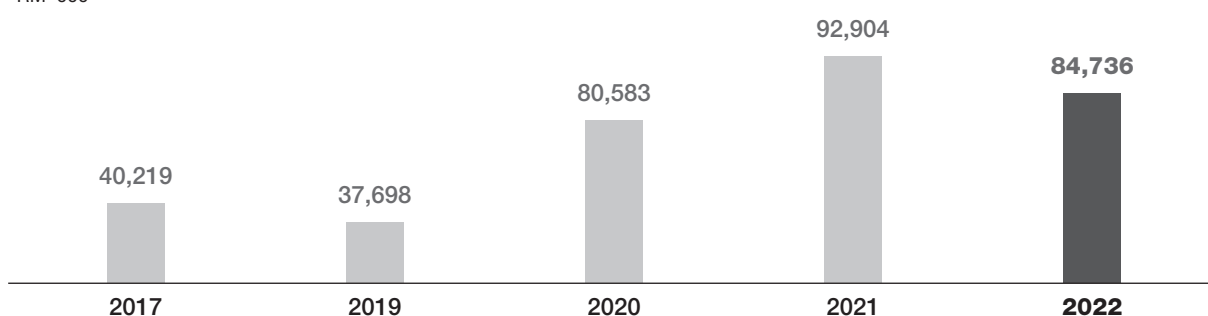
### LOSS AFTER TAX

RM '000



### SHAREHOLDERS' EQUITY

RM '000



## BOARD OF DIRECTORS' PROFILE

### DATUK TAN CHOR HOW CHRISTOPHER

- Chief Executive Officer cum Executive Director
- Key Senior Management
- Malaysian
- Male
- Aged 42

**Datuk Tan Chor How Christopher** was appointed to the Board as Chief Executive Officer cum Executive Director on 1 June 2015. Datuk Christopher graduated with a Bachelor of Commerce (Accounting) degree in 2002 from The University of Adelaide, South Australia and completed his Certified Credit Professional - Business Credit certification from Institute Bank - Bank Malaysia (IBBM) in 2005. He attended all four (4) Board Meetings of the Company held during the financial year.

Datuk Christopher has over 11 years banking career with international banks, spanning across Commercial/Consumer Banking Divisions and Branch Management in Malaysia. He was mainly involved in business development, portfolio management and sales management, providing financing and liquidity management solutions, for companies operating across diverse industries ranging from property development, infrastructure works, renewable energy, O&G, IT, marine, trading, manufacturing etc. In addition, he has experience with Branch Management (Sales Channel, Operations and Compliance) and consumer banking product and services (deposits, mortgage, bank assurance, credit cards, personal loans etc).

Datuk Christopher currently also serves as Executive Director cum Chief Executive Office of PDZ Holdings Bhd., a container liner business company. He presently sits on the board of several private limited companies.

Datuk Christopher has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 April 2022.

### WONG KOK SEONG

- Chairman
- Senior Independent Non-Executive Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee
- Malaysian
- Male
- Aged 53

**Mr. Wong Kok Seong** was appointed to the Board as an Independent Non-Executive Director on 8 April 2015 and was later appointed as the Chairman of the Board on 19 May 2015. He was identified as the Senior Independent Non-Executive Director on 26 May 2015. Mr. Wong is a Chartered Accountant and holds a Masters of Business Administration from Open University, United Kingdom. He is a member of the Malaysian Institute of Accountants (MIA) and also a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He attended all four (4) Board Meetings of the Company held during the financial year.

Having spent 15 years in the United Kingdom, Mr. Wong has gained extensive exposure with a United Kingdom accounting firm, Appleby & Wood, where he was an audit partner from 1999 to 2005. His experience extended to multinational companies where he was appointed as Finance Director for several UK-based companies. During his tenure there, he was responsible for the preparation of business plans, budgets and organisational financial statements, due diligence, accounting & taxation, management, project financing and implementation.

On his return to Malaysia in 2006 and upon obtaining his audit license, he joined an audit firm Messrs. Hasnan THL Wong & Partners, and is currently its Managing Partner. He is also made a partner in another audit firm in Malaysia. Over the last few years, he has extensively been involved in a wide range of businesses, such as cross border trading, manufacturing and property development. His experience includes accounting & taxation, due diligence, management consultancy, project financing and implementation.

Currently, Mr. Wong is an Independent Non-Executive Director of PNE PCB Berhad, Fitters Diversified Berhad, Computer Forms (Malaysia) Berhad and PDZ Holdings Bhd. He does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interests with the Company.

On 4 December 2017, Mr. Wong was publicly reprimanded by the Securities Commission Malaysia with a fine of RM539,000 for breaching of the Securities Industry (Compliance with Approved Accounting Standards) Regulations and Capital Markets and Services Act 2007 in relation to his former directorship in Trive Property Group Berhad.

## BOARD OF DIRECTORS' PROFILE

(CONT'D)

**DATO' KUA KHAI SHYUAN**

- ..... Independent Non-Executive Director
- ..... Chairman of Nomination and Remuneration Committee
- ..... Member of Audit Committee
- ..... Malaysian
- ..... Male
- ..... Aged 38

**Dato' Kua Khai Shyuan** was first appointed to the Board as an Executive Director on 8 April 2015 and was subsequently re-designated to Non-Independent Non-Executive Director on 10 August 2015. On 30 September 2017, Dato' Kua was re-designated to Independent Non-Executive Director of the Company. Dato' Kua graduated from Curtin University of Technology in 2006 with a Bachelor's Degree in Commerce Management and Marketing. He attended all four (4) Board Meetings of the Company held during the financial year.

In 2007, he was holding the position as Regional Manager for Malaysia Region in a Multinational healthcare company where he is responsible for the management of the overall mobile sales team as well as the supply chain management of the company's products range. In 2009, he joined a Malaysian based company specializing in the fabrication of plastic moulds and plastic injection molding as the Head of Marketing Division.

Dato' Kua currently serves as an Executive Director in DGB Asia Berhad and Trive Property Group Berhad where his role includes assisting the Group Managing Director in charting the overall strategy and direction of the Group as well as customer relationship management. He is also a Non-Independent Non-Executive Director of Metronic Global Berhad. In addition, he also currently sits on the board of several private limited companies.

Dato' Kua has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 April 2022.

**DATO' MUHAMMAD SHUIB BIN MD HASHIM**

- ..... Independent Non-Executive Director
- ..... Malaysian
- ..... Male
- ..... Aged 64

**Dato' Muhammad Shuib Bin Md Hashim** was appointed to the Board as an Independent Non-Executive Director on 10 February 2020. He graduated from Universiti Kebangsaan Malaysia with a Diploma in Police Science. He attended all four (4) Board Meetings of the Company held during the financial year.

Dato' Muhammad Shuib has served Royal Malaysia Police (Special Branch) for the past 38 years since 1980 and based across various locations, namely Bukit Aman, Pulau Pinang, Selangor and Pahang. His last posting was Head of Special Branch Pahang since year 2017 and retired in year 2018.

Dato' Muhammad Shuib does not hold directorships in any other public companies and listed issuer. He has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 April 2022.

## BOARD OF DIRECTORS' PROFILE

(CONT'D)

**THU SOON SHIEN**

Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination and Remuneration Committee
Malaysian
Male
Aged 41

**Mr. Thu Soon Shien** was appointed to the Board as an Independent Non-Executive Director on 8 April 2015. Mr. Thu is a member of the Malaysian Institute of Accountants (MIA) and a member of the Association of Chartered Certified Accountants, UK (ACCA). He is an accountant by profession with more than ten (10) years of experience. He attended all four (4) Board Meetings of the Company held during the financial year.

He started his career in 2004 as a junior associate with an established audit firm and is currently an Audit Principal in Messrs. Hasnan THL Wong & Partners. He has extensive experience in carrying out audit work for major companies in manufacturing, construction, property development, servicing and trading sectors amongst others. He was also involved in various corporate advisory services which includes due diligence and share valuations as well as taxation, company secretarial and internal audit.

Mr. Thu does not hold directorships in any other public companies and listed issuer. He does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interests with the Company.

On 4 December 2017, Mr. Thu was publicly reprimanded by the Securities Commission Malaysia with a fine of RM539,000 for breaching of the Securities Industry (Compliance with Approved Accounting Standards) Regulations and Capital Markets and Services Act 2007 in relation to his former directorship in Trive Property Group Berhad.

**PANG SIAW SIAN**

Non-Independent Non-Executive Director
Malaysian
Female
Aged 35

**Ms. Pang Siaw Sian** was first appointed to the Board as an Independent Non-Executive Director on 8 April 2015 and was subsequently re-designated to Executive Director on 26 May 2015. On 30 September 2017, Ms. Pang had been re-designated to Non-Independent Non-Executive Director of the Company. She holds a Bachelor of Arts (Hons) in International Hospitality Management from Bournemouth University in United Kingdom. She attended all four (4) Board Meetings of the Company held during the financial year.

Ms. Pang started her career with a public listed company in 2010 as a Personal Assistant to a Managing Director where she supports top-level executive in strategic planning, market analysis, research and business plan to address future prospects of the company. She later pursued her career with a financial institution in 2012 as the Regional Sales Manager in Mortgage Division. With her exceptional results, she was awarded with the recognition as the Nationwide Best Award in 2013. She expanded customers and business partners database to overseas by proactively involved in major properties development events. She has also provided credit assessment and professional advices on customer's investments decisions.

Ms. Pang does not hold directorships in any other public companies and listed issuer. She has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. She has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 April 2022.



## KEY SENIOR MANAGEMENT'S PROFILE

### HOOI HING CHUAN

- ..... Chief Technology Officer
- ..... Malaysian
- ..... Male
- ..... Aged 52

**Mr. Hooi Hing Chuan** first joined the Company in 2002 as a Technical Manager and was subsequently promoted to Chief Technology Officer in 2008. He is responsible for overseeing and managing the Enterprise Solutions teams while providing the team with technical advice and support in designing solutions architectures.

Mr. Hooi graduated with a Bachelor of Science majoring in Computer Science and Information Technology from the University of Western Australia with commendable technical background in Web application developments, Windows application programming, TCP/IP socket programming, database connectivity and computer hardware.

Mr. Hooi began his career as an Analyst Programmer and was subsequently promoted to Application Specialist with BASS Consulting Sdn. Bhd. His major contribution were designing and development of front-end/back-end stand alone and web-based applications for various stock-broking companies. Prior to joining the Company, he was a Consultant with Logica (Malaysia) Sdn. Bhd., a solutions telecommunications company. His portfolio includes the Geneva Migration Project for PT Telekomikasi Selular of Indonesia, the development of a FTP manager module for Digitel Telecommunications Philippines Inc, and the development of a web-based pre-paid demonstration application for TA-Orange of Thailand.

Mr. Hooi does not hold any directorships in public companies and listed issuers. He has no conflict of interests with the Company and any family relationship with any Director and/or major shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 April 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

**On behalf of the Board of Directors of M N C Wireless Berhad (“MNC”), the Management presents to you our Annual Report and the Audited Financial Statements of the Company and its subsidiaries (“the Group”) for the financial year ended 30 April 2022.**

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For the financial year under review, the on-going COVID-19 Omicron variant and the emergence of global inflations, have led to further global economic uncertainties despite Malaysia moving from pandemic to endemic starting from 1 April 2022. Economic activities has since continued to normalise with the lifting of movement restrictions and opening of all business sectors.

Nevertheless, the Group’s continuing efforts to improve its customer-focused solutions and enhance customer acquisition activities, whilst improving operational efficiencies have enabled the Group to support its clientele and strengthen its core business to be in line with the consumers’ rapid adoption of digital application, albeit restricted operating environment given the necessary policies in-place to curtail the infection and to ensure the health and safety of fellow colleagues and associates are not compromised.

### **Company’s Performance**

For the financial year ended (“FYE”) 30 April 2022, the Group recorded revenue of RM15.025 million as compared to RM21.239 million in the FYE 2021, mainly due to lower contribution from wireless/mobile application services rendered during the financial year as result of the economic fallout from the COVID-19 pandemic.

The Group registered a loss before tax (“LBT”) of RM17.772 million for FYE 2022 as compared to LBT of RM17.136 million in FYE 2021, mainly due to the high operating expenditure incurred for business development as compared to the previous financial year.

The year under review has proven to be another challenging year, more so with the pandemic resulting in necessary various stages of lockdown to curb the spread of the deadly virus. We have been taking greater efforts in finetuning and streamlining our operations to improve performance and strengthen our balance sheet.

### **Business and Operational Review**

The Group’s infrastructure and operational efficiency enhancement on its core business in supporting the Group is continuing to allow it to respond faster to clientele’s business needs.

Potential factors which may adversely impact the Group’s business segment performance would be stability of internet connectivity and messaging platforms supported by the industry. Nevertheless, this has continued to show improvements and enhancements by industry players, thereby mitigating further potential risk of network deliverables.

Go!SMS, the Group’s enterprise based mobile messaging platform, continued to register healthy growth level with enhanced messaging platform efficiencies and capacity with higher non-financial indicator of messaging volume sent through the platform.

The Group’s reverse billing platform services, Go!CPA, which supports premium billing through SMS with digital platforms (property, web-design), continued to register commendable performance on the back of continuous efforts of customer acquisition with close collaboration with business partners.

Further activities to drive digital marketing segment which assist our clients in brand building and operational efficiencies, continued to show encouraging results with the launch of various new mobile and web applications, with increased capacity and capabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### **Outlook and Group Prospects**

Despite facing the prevailing challenges and uncertainties, business sectors are increasing digitalisation of their business operations and processes, all of which augurs well for the Group's customer centric solutions with demand for mobile and digital applications and its multimedia related services, coupled with new revenue channels, is expected to trend upwards, thereby is expected to contribute positively to the business segments that the Group operates within, on the back of increasing trend of digital marketing environment being embraced by consumers and business units.

Given that Malaysia has entered into "Transition to Endemic" phase of COVID-19 on 1 April 2022 as a result of high vaccination rate, the Group expects the economy to improve further with all business sectors have been allowed to open across the economy, all of which augurs well for the Group and its associates' business and financial performance with on-going strategic business planning to increase operational efficiency and reaching out to clients to service their needs.

The Group aims to continuously seek market opportunities in the domestic markets to strengthen our market presence and enhance profitability. To this end, we will remain committed to provide quality products, as well as continuously improve our services/products in order to expand our customer base. This will in turn support our long-term sustainability and growth, coupled with support from business partners and clients.

On-going strategic partnerships with business partners will add to future sustainable growth for the Group with the following collaborative initiatives:-

- Memorandum of Understanding ("MOU") signed with Sanichi Property Sdn. Bhd. on 15 January 2018, for the purpose of:
  - i. Online leasing or short-term luxury rental service for 120 units of Marina Point, Melaka; and
  - ii. Creating and operating an online marketing or community marketplace for the public to book luxury homestays.
- MOU signed with Hot Entertainment Sdn. Bhd. ("Hot TV") on 13 April 2022, for the purpose of:
  - i. Kick-starting its Lifestyle e-commerce Platform by expressing its interest to acquire, invest, develop or collaborate with Hot TV;
  - ii. The Lifestyle e-commerce Platform combines social media features with an e-commerce marketplace that matches buyers and merchants; and
  - iii. Aims to eliminate layers of sales channels in product adoption via a Business-to-Consumer (B2C) model.

Other initiatives as outlined in the previous and on-going corporate development exercise will allow the Group to further expand downstream into related business activities, namely mobile gaming applications, bespoke management platforms, provision of authentication tool for online transactions, supply of advertising display panels, amongst others, to further enable the Group to increase its market presence across the business sector it operates within.

# SUSTAINABILITY STATEMENT

M N C Wireless Berhad and its subsidiaries (“MNC” or “the Group”) aims to conduct its business in a sustainable manner which focuses on key Economic, Environmental and Social aspects that are material to the continued success of the Group’s strategies and business operations, maintaining high standards of conduct and maximising long-term value creation for the benefit of our stakeholders.

This Sustainability Statement is prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Sustainability Reporting Guide. This Sustainability Statement outlines the Group’s sustainability activities with respect to the following core areas throughout the financial year under review.

## SUSTAINABILITY CORPORATE GOVERNANCE

The Group maintains high level of corporate governance through transparent reporting and compliance with applicable laws and regulations as well as ethical procurement practices. The Group ensures best practices by adhering to policies and guidelines set by Bursa Securities and other relevant authorities for effective, prudent management and accountability on business sustainability.

The Group is committed to conduct its business and operations with integrity and accountability, conduct its affairs in an ethical, responsible and transparent manner to ensure our behaviour and communications are aligned. The Group has also developed the Anti-Bribery and Corruption Policy and Code of Ethics and Conduct. Both policies are designed to uphold the Group’s zero-tolerance position against all forms of bribery and corruption in its day to day operations.

In line with good corporate governance practices, the Group has established the following policies:

- Corporate Disclosure Policy;
- Code of Ethics and Conduct;
- Whistleblowing Policy;
- Related Party Transaction Policy and Procedures; and
- Anti-Bribery and Corruption Policy

The policies are reviewed periodically to ensure the said policies reflect the applicable changes in legislative requirements and business environment.

## SUSTAINABILITY STATEMENT

(CONT'D)

## STAKEHOLDER ENGAGEMENT

The Group believes in engaging regularly with key stakeholders to meet their expectation and address material issues impacting business growth with various engagement approach adopted by the Group are set out below:

KEY STAKEHOLDERS	ENGAGEMENT OBJECTIVES	ENGAGEMENT METHODS
Investors and Shareholders	<ul style="list-style-type: none"> <li>To provide investors timely information and regular updates on financial performance and transparency</li> <li>Business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Quarterly results announcements</li> <li>Bursa Securities announcements with investor relation updates</li> <li>Annual General Meeting/ Extraordinary General Meeting</li> <li>Media news/ Press releases</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Business activities are consistently aligned to the needs of its customers</li> <li>Customers' satisfaction and loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Strategic alliance and regular meetings</li> <li>Customer feedback via multiple channels (e.g. email and social media platforms)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Support of human capital development</li> <li>Enhance its employees' career and personal development</li> <li>Safe and conducive working environment</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisal</li> <li>Training programmes</li> <li>Multiple communication channels (e.g. Management meetings, Memo and social medial platforms)</li> </ul>
Business Partners and Suppliers	<ul style="list-style-type: none"> <li>Establish long-term viability of our businesses</li> </ul>	<ul style="list-style-type: none"> <li>Assessments included Company's reference check</li> <li>Strategic alliance and regular meetings</li> </ul>
Regulators and Government	<ul style="list-style-type: none"> <li>Compliance with regulatory/ government authorities' requirements</li> <li>Regulatory disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements</li> <li>Annual Report and Sustainability Statement</li> <li>Participation in programmes organised</li> </ul>
Community	<ul style="list-style-type: none"> <li>To support local communities in economic, environmental and social development</li> </ul>	<ul style="list-style-type: none"> <li>Support towards corporate social responsibility and local sourcing donations</li> </ul>

## SUSTAINABILITY STATEMENT

(CONT'D)

**ECONOMIC SUSTAINABILITY**

MNC is dedicated and committed to ensure the interest of all vital stakeholders such as shareholders, investors, employees, business partners, customers, suppliers including government bodies and local communities are taken into consideration. The Group is held to the same standard in its compliance with all applicable legal and regulatory requirements. Additionally, the Group reviews the implementation of internal control system such as financial authority framework and risk management framework regularly.

The Group ensures its corporate website provides the latest corporate news of the Group, which includes relevant announcements, financial results and other development with the objective to provide timely information to our various stakeholders of the Group. Furthermore, shareholders have the opportunity to raise questions and seek clarifications on our Group's business operations, financial performance, business strategies and future planning during Annual General Meetings.

The Group's business activities are consistently aligned with the needs of its customers. Customer's loyalty and satisfaction are critical success factors for MNC. The Group strives for long-term partnerships based on mutual trust and respect. With innovative technologies, dependable products and excellent services, MNC provides customers with solutions that contribute to their success.

Suppliers are regularly reviewed to ensure value creation, on-time delivery, quality and timely response. The Group engages with suppliers to identify and manage risks, underpinned by values of integrity and transparency.

**ENVIRONMENT SUSTAINABILITY**

The Group does not operate in an environmentally sensitive business. However, we recognise our duty to minimise carbon footprint to the environment and has identified opportunities to reuse and recycle or minimise the resources it consumes in caring for the environment.

As MNC operates in the Information Technology and Digital Solutions industry, employees are encouraged to fully maximise the benefits of Information Communications Technology such as e-mails, social media platforms, newsletters via email broadcasting, e-greeting cards, for communications. In addition to reducing our energy consumption through switching off unused lights or air conditioning, all lighting has been replaced with LED lighting and our paper management initiatives to print only when absolutely necessary, recycling of used printed paper and other items where possible.

## SUSTAINABILITY STATEMENT

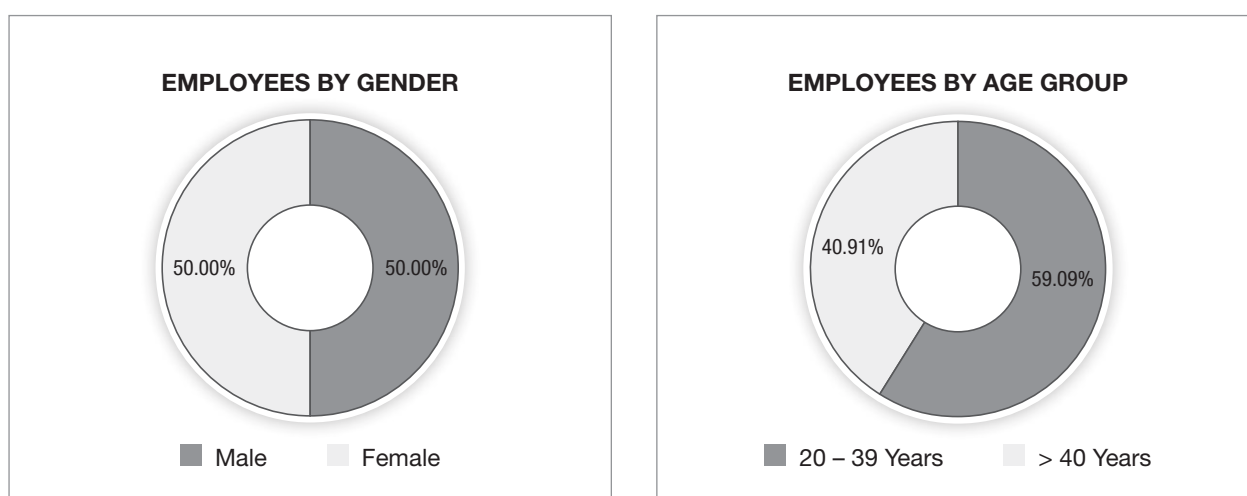
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## SOCIAL SUSTAINABILITY

The Workplace

The Group believes that a quality and conducive working environment would raise efficiency and productivity as well as improving the overall quality of employees. As such, we continuously create a safe, pleasant and conducive working environment for our people and promote employee safety, well-being and gender diversity.

The Group's workforce profile is summarised as follows:-

The Employees

The Group continues to demonstrate workplace responsibility through the support of human capital development for its employees by providing continuous training and development to enhance its employees' career and personal development. This is in addition to offering attractive and competitive remuneration package to all its team members. Other than the benefits that are mandated and defined by local legislation, the Group also takes care of the health and well-being of our employees with Group Personal Accident Insurance, Group Hospitalisation and Surgical Insurance coverage and other medical benefits.

The Group does not condone any form of prejudice or discrimination in the workplace and as part of its Code of Conduct & Ethics, the Group adopts a policy that all employees are treated fairly and equally without regard to race, creed, religion, gender, nationality, age or disability.

In MNC, employees are our greatest assets. We will continue to focus on human capital development to nurture our employees to their full potential. The Group has been continuously creating various learning opportunities for its employees in order to enhance their competence, job skills, knowledge and performance.

The Group believes that the safety and well-being of its employees are the foundations of its success. In this respect, the Company has in placed fire-fighting and prevention equipment and systems are installed in all specified locations and inspected at predetermined intervals to ensure their functionality and continue compliance with all relevant safety and health laws and regulations.

## SUSTAINABILITY STATEMENT

(CONT'D)

**The Community**

The Group recognised that we can make a positive impact to the community by giving financial and other resources towards meaningful causes. MNC had continued to take in students from local institutions, colleges and/or universities as trainees. This practice has allowed the Group to discover talented candidates to work with us as well as supporting the Malaysian educational system for human capital development.

Moving on, the Group strives to support more Corporate Social Responsibility (CSR) initiatives for local communities at large as part of its commitment to be a responsible corporate citizen.

**CONCLUSION**

Moving forward, the Group is committed to understand and implement sustainable practices across its business operation whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders, and economic success of the Group.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of M N C Wireless Berhad (“the Company”) is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 30 April 2022 (“FYE 2022”). The statement is also presented in compliance with Rule 15.25(2) of the ACE Market Listing Requirements (“ACE Market LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This Corporate Governance Overview Statement (“CG Statement”) is based on the three (3) principles as set out in the Malaysian Code On Corporate Governance (“MCCG”) which was further updated by the Securities Commission Malaysia on 28 April 2021, which are:-

Principle A - Board leadership and effectiveness

Principle B - Effective audit and risk management

Principle C - Integrity in corporate reporting and meaningful relationships with stakeholders

This CG Statement is augmented with a Corporate Governance Report (“CG Report”) which provides a detailed articulation of the application of the Company and its subsidiaries’ (“the Group”) corporate governance practices as set out in the MCCG throughout the FYE 2022. This CG Report is available on the Company’s corporate website at [www.mnc.com.my](http://www.mnc.com.my), as well as via an announcement on the website of Bursa Securities.

## **PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS**

### **PART I - BOARD RESPONSIBILITIES**

#### **1.1 Board and Board Committees**

The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership including practicing a high level of good governance to ensure long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and responsibilities, the Board is governed by its Board Charter, outlining the roles and responsibilities and applicable limits, including those reserved for the Board’s approval, and those which the Board may delegate to the Board Committees, the Chief Executive Officer cum Executive Director (“CEO cum ED”) and the Management. The Board Committees comprise Audit Committee (“AC”), and Nomination and Remuneration Committee (“NRC”) respectively. The Terms of Reference of the respective committees are available on the Company’s website at [www.mnc.com.my](http://www.mnc.com.my).

Apart from the responsibility of the Board Committees, the chief officers and other Senior Management are also delegated with certain authority to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

#### **1.2 Chairman of the Board**

The Chairman of the Board, Mr. Wong Kok Seong, holds a Senior Independent Non-Executive position and is primarily responsible for the leadership, effectiveness, conduct and governance of the Board.

The responsibilities of Chairman, amongst others, including the following:-

- To provide leadership to the Board.
- To oversee the effective discharge of the Board’s supervisory role.
- To facilitate the effective contributions of all Directors.
- To conduct and chair Board meetings and general meetings of the Company.
- To ensure Board meetings and general meetings comply with good conduct and best practices.
- To manage Board communications and Board effectiveness and effective supervision over Management.
- To promote constructive and respectful relations between Board members and between the Board and the Management.
- To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.
- Together with the CEO cum ED, represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

The Chairman does not assume the position of chairman of the Board Committees but as a member of the AC and NRC respectively. Nevertheless, the Chairman does not chair these Board Committees. Through his participation and corporate experience, it is believed that the Board’s objectivity in receiving or reviewing the committees’ reports has not been diminished in any way.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1.3 Chairman and CEO cum ED**

The position of the Chairman and CEO cum ED are held by two different individuals and each has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitating constructive deliberation of matters in hand, whilst the CEO cum ED leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board's policies and decisions.

**1.4 Qualified and Competent Company Secretary**

The Board is supported by a competent and qualified Company Secretary who is a member of the Malaysian Association of Companies Secretaries and she is holding a professional certificate as a qualified Company Secretary under Section 235(2) of the Companies Act 2016 ("Act"). She possesses over 29 years of experience in corporate secretarial practices.

The Company Secretary plays an important role in facilitating the overall compliance with the Act, ACE Market LR and other relevant laws and regulations. The Company Secretary also assists the Board and Board Committees to function effectively and in accordance with their Terms of Reference and best practices and ensuring adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretary has been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep herself abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to her profession and enable her to provide the necessary advisory role to the Board.

The Board has direct access to the professional advice and services of the Company Secretary when performing their duties and discharging their responsibilities.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of her duties and functions.

**1.5 Meeting of Board and Board Committees**

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance of each new year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting ("AGM") as well as the closed periods for dealings in securities by Directors and principal officers of the Company based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

The notice of meetings of the Board and Board Committees are sent to the Directors via email at least five (5) working days prior to the date of the meetings. The same notification is sent to the Management that is invited to the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure that they have been given sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and decisions of matters discussed at the Board and Board Committees meetings are duly recorded and well documented in the minutes of meetings, including matters where Directors abstained from voting or deliberation. The minutes of meetings are circulated to the respective Board and Board Committee for review in a timely manner before they are finalised and tabled at the next meeting for confirmation.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1.6 Board Charter**

The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors and the functions of the Board Committees. It sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and CEO cum ED, as well as issues and decisions reserved for the Board, the Board's governance structure and authority.

The Board Charter was last reviewed, revised and approved by the Board on 1 July 2021 and is available on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflect the latest compliance requirements as a result of changes in the regulatory framework.

**1.7 Code of Ethics and Conduct**

The Company has in place a Code of Ethics and Conduct for Directors and employees of the Group which is available on the Company's website at [www.mnc.com.my](http://www.mnc.com.my). A brief Code of Ethics and Conduct is also incorporated in Part 6 of the Board Charter.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

The Board is committed in maintaining a corporate culture that engenders ethical conduct. All Directors and employees of the Group are to adhere to the Code of Ethics and Conduct and make a necessary declaration if there is any conflict of interests.

**1.8 Whistle Blowing Policy**

The Group has put in place a Whistle Blowing Policy that fosters an environment in which integrity and ethical behaviour are maintained through protocols which allow for the exposure of any violations or improper conduct or wrongdoing within the Group.

The Whistle Blowing Policy provides an avenue for employees to report any misconduct, breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.

The Whistle Blowing Policy is available on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

**1.9 Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")**

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABAC Policy to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the ACE Market LR of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibility of the Company, and all individual who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customer, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABAC Policy is made available on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

The ABAC Policy will be reviewed from time to time to ensure that it continues to remain relevant and appropriate.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1.10 Sustainability Governance**

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance into their investment decision-making process and the Group's overall strategy and operations in order to promote and build sustainability momentum within the Group.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance in which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board had on 1 July 2021 reviewed, revised and approved the relevant amendments by incorporating the assessment of the Board's understanding on sustainability issues in the annual performance evaluation that are critical to the Company's performance.

**PART II - BOARD COMPOSITION****2.1 Board Composition**

The composition of the Board complies with Rule 15.02 of the ACE Market LR of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board members, whichever is the higher, are Independent Directors. Currently, the Board has six (6) members. More than half of the Board comprises Independent Non-Executive Directors as follows:-

No.	Names	Designations
1.	Wong Kok Seong	Senior Independent Non-Executive Director
2.	Datuk Tan Chor How Christopher	CEO cum ED
3.	Thu Soon Shien	Independent Non-Executive Director
4.	Dato' Kua Khai Shyuan	Independent Non-Executive Director
5.	Pang Siaw Sian	Non-Independent Non-Executive Director
6.	Dato' Muhammad Shuib Bin Md Hashim	Independent Non-Executive Director

The Board composition is also in line with this Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 5 to 7 in this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****2.2 Tenure of Independent Directors**

The Board is fully aware that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

Currently, none of the existing Independent Directors of the Company has exceeded the tenure of accumulative term of nine (9) years.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the Independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

**2.3 New Appointment to the Board**

The Board appoints its members through a formal and transparent selection process. The new candidates will be considered and evaluated by the NRC, and the NRC will then recommend the candidates to be approved and appointed by the Board. In making a recommendation to the Board on the candidates for directorship, the NRC will consider and nominate the candidates based on the objective criteria, including:-

- (a) skills, knowledge, expertise and experience;
- (b) professionalism;
- (c) integrity;
- (d) time commitment to the Company based on the number of directorships held; and
- (e) in the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Rule 15.06 of the ACE Market LR of Bursa Securities.

The new appointment of Senior Management would be reviewed by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****2.4 Board Diversity and Senior Management Team**

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

In the event that a vacancy in the Board arises, the Board, through the NRC, will consider the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skill sets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Gender Diversity Policy was reviewed, revised and approved by the Board on 1 July 2021 which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level and the same is published on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

The Board currently has one (1) female Director which reflects the Board's commitment towards achieving a more gender diversified Board.

**2.5 Board Committees**

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particulars issues.

The Board has established two (2) Board Committees and the membership of each committee is set out in the table below:-

Composition	AC	NRC
Wong Kok Seong (Senior Independent Non-Executive Director)	Member	Member
Thu Soon Shien (Independent Non-Executive Director)	Chairman	Member
Dato' Kua Khai Shyuan (Independent Non-Executive Director)	Member	Chairman

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

#### **PART II - BOARD COMPOSITION (CONT'D)**

##### **2.6 NRC**

The NRC is chaired by Dato' Kua Khai Shyuan, an Independent Non-Executive Director of the Company. The NRC Chairman has led the annual review of Board effectiveness ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis.

The NRC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. The Terms of Reference of the NRC was last reviewed, updated and approved on 1 July 2021 which incorporated the relevant practices recommended under the MCCG. The Terms of Reference of the NRC is published on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

The activities undertaken by the NRC during the FYE 2022 are as follows:-

- (a) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.
- (b) Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- (c) Reviewed and recommended to the Board the contribution and performance of the AC.
- (d) Reviewed and recommended to the Board the re-election of the Directors who retired pursuant to the Company's Constitution at the last AGM held on 29 October 2021.
- (e) Reviewed and assessed the independence of the Independent Directors of the Company.
- (f) Reviewed and recommended to the Board the remuneration packages and directors' fees and/or benefits of all Directors of the Company.

##### **2.7 Board Appointment and Re-appointment Process**

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Directors, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board has in the review of the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the ACE Market LR of Bursa Securities and the Company's Constitution, one-third of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****2.8 Annual Assessment of the Board and Board Committees as a whole**

The Board has, through the NRC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

- i. Performance of Executive Directors;
- ii. Performance of Non-Executive Directors/Chairman;
- iii. Independence of the Independent Directors;
- iv. Performance of the AC; and
- v. Effectiveness of the Board and Board committees as a whole.

The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairman will report the results and deliberation to the Board.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committees' meetings, regular contribution to Board or Board Committees' meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

The annual assessment criteria of the Board and Board Committees and individual Directors were last reviewed and updated on 1 July 2021 which to stay aligned with the MCCG practices.

Based on the evaluations conducted in the FYE 2022, the NRC and the Board were satisfied with the performance of the individual Directors, Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****2.9 Attendance of Board and Board Committees' Meetings**

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2022, the Board had conducted four (4) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategy, operational and financial performance.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2022 are as follows:-

Name of Directors	Attendance		
	Board	AC	NRC
Wong Kok Seong (Senior Independent Non-Executive Director)	4/4	4/4	1/1
Datuk Tan Chor How Christopher (CEO cum ED)	4/4	N/A	N/A
Thu Soon Shien (Independent Non-Executive Director)	4/4	4/4	1/1
Dato' Kua Khai Shyuan (Independent Non-Executive Director)	4/4	4/4	1/1
Pang Siaw Sian (Non-Independent Non-Executive Director)	4/4	N/A	N/A
Dato' Muhammad Shuib Bin Md Hashim (Independent Non-Executive Director)	4/4	N/A	N/A

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****2.10 Directors' Training**

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2022, all Directors had attended the following training programmes in compliance with Rule 15.08 of the ACE Market LR of the Bursa Securities:-

Name of Directors	Trainings/seminars attended
Wong Kok Seong	<ul style="list-style-type: none"> <li>Updated MCCG 2021</li> <li>Exposure draft ISA for Less Complex Entities (LCE) and engagement on eConfirm.my</li> <li>MIA Forum with Audit Practitioners</li> <li>ISQC 1, ISQM 1 &amp; ISQM 2 and ISA 220 (Revised), incorporating root cause analysis</li> <li>Technical update on IFRS (MFRS) 2021</li> <li>Key amendments to the ACE Market LR of Bursa Securities relating to Director appointment, independence and other amendments</li> </ul>
Thu Soon Shien	<ul style="list-style-type: none"> <li>Updated MCCG 2021</li> <li>Exposure draft ISA for Less Complex Entities (LCE) and engagement on eConfirm.my</li> <li>MIA Webinar Series: ISQC 1, ISQM 1 &amp; ISQM 2 and ISA 220 (Revised), incorporating root cause analysis</li> <li>2022 Budget Seminar</li> <li>Key amendments to the ACE Market LR of Bursa Securities relating to Director appointment, independence and other amendments</li> </ul>
Dato' Kua Khai Shyuan	<ul style="list-style-type: none"> <li>Updated MCCG 2021</li> <li>Budget Proposal 2021 and Legislations Changes – Overview of SST 2.0 systems, types of taxable services, reporting &amp; compliance requirements in Malaysia</li> <li>Budget Proposal 2021 and Legislations Changes – Director's Liability under Section 75A of Income Tax Act (ITA) 1967</li> <li>Webinar on Transfer Pricing</li> <li>Key amendments to the ACE Market LR of Bursa Securities relating to Director appointment, independence and other amendments</li> </ul>
Datuk Tan Chor How Christopher	<ul style="list-style-type: none"> <li>Updated MCCG 2021</li> <li>Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation</li> <li>SCXSC "Synergistic Collaborations by the SC" Fintech Conference 2021</li> <li>Key amendments to the ACE Market LR of Bursa Securities relating to Director appointment, independence and other amendments</li> <li>Audit Oversight Board's Conversation with Audit Committees</li> </ul>
Pang Siaw Sian	<ul style="list-style-type: none"> <li>Updated MCCG 2021</li> <li>Key amendments to the ACE Market LR of Bursa Securities relating to Director appointment, independence and other amendments</li> </ul>
Dato' Muhammad Shuib Bin Md Hashim	<ul style="list-style-type: none"> <li>Updated MCCG 2021</li> <li>Key amendments to the ACE Market LR of Bursa Securities relating to Director appointment, independence and other amendments</li> </ul>

The Board has on a continuous basis, evaluate and assesses the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART III – REMUNERATION****3.1 Remuneration Policy**

The Board acknowledges the importance of fair remuneration in attracting, retaining and motivating Directors and Senior Management. Hence, a Remuneration Policy had been adopted by the Board and it is available for reference on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

The Remuneration Policy aims to:

- a. determine the level of remuneration of Directors and Senior Management;
- b. attract, retain and reward high performing, experienced and qualified Directors and Senior Management by providing remuneration commensurate with their responsibilities and contributions, and being competitive with the industry; and
- c. encourage value creation for the Company by aligning the interests of Directors with the long-term interests of shareholders.

The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART III – REMUNERATION (CONT'D)****3.2 Remuneration of Directors**

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2022 are the same as follows:-

Name of Directors	RM						
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument #	Total
<b>The Company and Group level</b>							
Datuk Tan Chor How Christopher	–	–	216,000	–	–	67,902	283,902
Wong Kok Seong	30,000	2,000	–	–	–	–	32,000
Thu Soon Shien	24,000	2,000	–	–	–	–	26,000
Dato' Kua Khai Shyuan	36,000	2,000	–	–	–	–	38,000
Pang Siaw Sian	60,000	2,000	–	–	–	–	62,000
Dato' Muhammad Shuib Bin Md Hashim	30,000	2,000	–	–	–	–	32,000
<b>TOTAL</b>	<b>180,000</b>	<b>10,000</b>	<b>216,000</b>	<b>–</b>	<b>–</b>	<b>67,902</b>	<b>473,902</b>

Note:

# Other emolument includes Defined Contribution Plan and travelling allowances.

**3.3 Remuneration of Senior Management**

The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature for talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2022 are as follows:-

Range of Remuneration	Number of Senior Management
RM50,001 to RM100,000	–
RM100,001 to RM150,000	–
RM150,001 to RM200,000	3
RM200,001 to RM250,000	1

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT****PART I - AC****4.1 Effective and Independent AC**

The AC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The AC is chaired by Mr. Thu Soon Shien, whereas the Board is chaired by Mr. Wong Kok Seong, both are Independent Non-Executive Directors of the Company. The positions of Board Chairman and AC Chairman are assumed by different individuals to ensure that the Board's review of the AC's findings and recommendations is not impaired.

The AC comprises three (3) members. The composition of the AC complies with Rule 15.09 and 15.10 of the ACE Market LR of Bursa Securities and the recommendation of MCCG whereby all the three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The Terms of Reference of AC had been updated on 1 July 2021 to reflect the change of the cooling off period from at least two (2) to at least three (3) years before a former audit partner is being appointed as a member of the AC and the same is accessible on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.

The term of office and performance of the AC and its members are reviewed by the NRC annually to determine whether such AC and members have carried out their duties in accordance with the terms of reference.

**4.2 External Auditors**

The Board has established the External Auditors Assessment Policy together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The AC reviewed the nature and extent of non-audit services rendered by the External Auditors during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the AC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC had carried out an annual performance assessment of the External Auditors and requested the CEO cum ED and Management to join the assessment.

The AC is satisfied with the suitability and independence of the External Auditors and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)****PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK****5.1 Risk Management and Internal Control Framework**

The Board acknowledges its overall responsibilities in establishing a sound risk management framework and internal control system within the Group. The risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. It provides reasonable assurance against material misstatement of financial information and records or against financial losses or fraud.

The risk management and internal control framework are embedded into the culture, processes and structures of the Group. The Board is committed to ensure that the framework is responsive to changes in the business environment and clearly communicated to all key management personnel.

Details of the Group's risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2022.

**5.2 Internal Audit Function**

The internal audit function is outsourced to an independent professional consulting firm that assists the AC in managing the risks and establishing of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the AC.

The outsourced Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The AC had obtained assurance from the outsourced Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2022 are as disclosed in the AC Report of the Annual Report 2022.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS****PART I - COMMUNICATION WITH STAKEHOLDERS****6.1 Continuous Communication with Stakeholders**

The Company recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through timely dissemination of information on the Group's performance and major developments.

Quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, [www.mnc.com.my](http://www.mnc.com.my) serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

**6.2 Corporate Disclosure Policy**

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Company has adopted a Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public. A copy of the policy is published on the Company's website at [www.mnc.com.my](http://www.mnc.com.my).

**PART II – CONDUCT OF GENERAL MEETINGS****7.1 Conduct of General Meetings**

The notice of the Seventeenth AGM ("17th AGM") of the Company held on 29 October 2021 was sent to the shareholders on 30 August 2021, which is more than twenty-eight (28) days prior to the date of the 17th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the AGM.

The 17th AGM of the Company was held on a fully virtual basis and entirely via remote participation and voting. The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Guide prior to the 17th AGM. This has allowed shareholders to participate online, using a smartphone, tablet or computer as well as view live webcast of the meeting.

All resolutions set out in the notice of the 17th AGM were put to vote by poll and the poll results were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

**PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)****PART II – CONDUCT OF GENERAL MEETINGS****7.2 Effective Communication and Proactive Engagement**

All Directors had attended the 17th AGM and be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 17th AGM. The External Auditors were also be invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

During the proceedings of the 17th AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.

Shareholders were encouraged to post their questions to the Board using the query box facility throughout the 17th AGM. The Company facilitates and encourages shareholder participation at its 17th AGM. This meeting provides an update for shareholders on its performance and offers an opportunity for shareholders to ask questions and vote.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 17th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 17th AGM was also published on the Company's website for the shareholders' information.

**STATEMENT BY THE BOARD ON CG STATEMENT**

The Board has deliberated, reviewed and approved this CG Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCCG, the relevant chapters of the ACE Market LR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2022, except for the departures set out in the CG Report. The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.



## AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of M N C Wireless Berhad (“MNC” or “the Company”) is pleased to present the report of the Audit Committee (“AC”) for the financial year under review. The primary objective of the AC is to assist the Board in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes, management and financial reporting practise.

### COMPOSITION OF THE AC

The Composition of the AC is in compliance with Rule 15.09 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC comprises solely of Independent Non-Executive Directors. No alternate Director is appointed as a member of the AC.

The present members of the AC are as follows:

AC Members	Designation	Directorship
Thu Soon Shien	Chairman	Independent Non-Executive Director
Wong Kok Seong	Member	Senior Independent Non-Executive Director
Dato’ Kua Khai Shyuan	Member	Independent Non-Executive Director

All members of the AC are financially literate. The Chairman, Mr. Thu Soon Shien is an Independent Non- Executive Director. Hence, the Company complied with Rule 15.10 of the Listing Requirements of Bursa Securities. He is a member of the Malaysian Institute of Accountants (MIA) and a member of Association of Chartered Certified Accountants, UK (ACCA).

The Chairman of the AC is not the Chairman of the Board. To further strengthen the objectivity and independent of the AC, the AC has adopted a policy whereby no former partner of the external audit firm of the Company shall be appointed as a member of the AC before observing a cooling-off period of at least three (3) years. This policy had been codified in the Terms of Reference of the AC. The Terms of Reference of the AC is available in the corporate website of the Company at [www.mnc.com.my](http://www.mnc.com.my).

### AC MEETINGS

During the financial year ended 30 April 2022, the AC held a total of four (4) meetings and the details of the attendance of each AC member to the meetings are set out below:

AC Members	Meeting Attendance
Thu Soon Shien	4/4
Wong Kok Seong	4/4
Dato’ Kua Khai Shyuan	4/4

The Internal and External Auditors of the Company and its subsidiaries (“Group”) and other Senior Management also attended the AC meetings by invitation to provide clarification on the audit issues, Group’s operations and any other matters of interests.

In carrying out its duties, the AC reported to and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made necessary recommendations to the Board.

Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for notation.

## AUDIT COMMITTEE REPORT

(CONT'D)

**SUMMARY OF WORK**

During the financial year ended 30 April 2022, the AC carried out the following activities in the discharge of its functions and duties:

**Financial Reporting Oversight**

- (a) Reviewed the quarterly financial results, focusing particularly on significant changes, and ensure that the financial reporting and disclosure requirements of relevant authorities had been in compliance with accounting standards, any changes in or implementation of accounting policies and practices, prior to submission to the Board for approval and release quarterly financial results to Bursa Securities; and
- (b) Reviewed the audited financial statements with the Management and External Auditors that the audited financial statements were prepared in compliance with the provision of the Companies Act 2016, Malaysian Financial Reporting Standards, and the Listing Requirements.

**External Audit**

- (a) Discussed and reviewed with External Auditors on their audit review memorandum for the Group and the audit planning memorandum for the financial year ended 30 April 2022;
- (b) Reviewed the results of the annual audit, their audit report and management letter, together with the Management's responses to the findings of the External Auditors prior to submission to the Board for approval;
- (c) Reviewed and recommended the re-appointment of Messrs. Ong & Wong Chartered Accountants as the External Auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by them during their audit for the financial year under review; and
- (d) Met with the External Auditors separately without the presence of the Executive Directors and Management to make enquiries on any non-compliance disclosures encountered by the External Auditors during their audit.

**Internal Audit**

- (a) Reviewed with the Internal Auditors on the internal audit report, their recommendations, the adequacy and efficiency of Management's response to these recommendations; and
- (b) Review and discussed the Enterprise Risk Assessment Report of the Group tabled by the Management, where the discussion included risk assessment, a summary of action plans and managing the principal risks of the Group.

**Related Party Transaction**

- (a) Reviewed any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises the questions on management integrity.

**Other Matter**

- (a) Review the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report and AC Report to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report; and
- (b) Reviewed its Terms of Reference periodically and made a recommendation to the Board on revision, if necessary.

## AUDIT COMMITTEE REPORT

(CONT'D)

### INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Wensen Consulting Asia (M) Sdn. Bhd., an independent professional consulting firm, which provides support to the AC in monitoring and managing risks, controls and governance processes of the Group. The main role of the internal audit function is to review the effectiveness and adequacy of the existing internal control policies and procedures and to provide recommendations, if any, for the improvement of the control policies and procedures. The consulting firm is independent of the activities and operations of the Group. The Internal Auditors report directly to the AC.

During the financial year under review, the Internal Auditors have conducted the yearly internal audit review and the scope of review was discussed and requested by the Management thereafter subsequent alignment and confirmation with AC of the Group during the AC meeting.

The Internal Auditors had carried out the following audit activities during the financial year under review:

1. Review and evaluate the adequacy and effectiveness of the internal control system on Digital Business Management segment; and
2. Follow-up reviews in assessing the progress of the agreed Management's action plans and report to the Management and AC.

The reports by the Internal Auditors were deliberated by the AC and the recommendations made to the Board and/or the Management were acted upon.

The cost incurred for the internal audit function of the Group for the financial year ended 30 April 2022 was RM10,000.00.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers, the Board of Directors of M N C Wireless Berhad ("Board") is pleased to provide the following statement which outlines the policies, key elements and scope of risk management and internal control of the Company and its subsidiaries ("Group") for the financial year ended 30 April 2022.

## Board's Roles and Responsibilities

The Board recognises its overall responsibility for maintaining the adequacy and effectiveness of the Group's risk management and system of internal controls which covers financial, operations and compliance with relevant regulations, policies and procedures. This includes the establishment of an appropriate risk management and internal control framework and review the adequacy and effectiveness of those systems on an on-going basis.

The Board has delegated the implementation of the policies on risk management and internal control to the Management who remains accountable to the Board to ensure that the Group's risk management and internal control system are operating adequately and effectively. The Management shall be responsible for identifying and assessing the risks faced by the Group, identifying the changes to risk and in the design and operation of suitable internal controls to mitigate the risks identified. Towards this responsibility, the Management has established a satisfactory internal control system with risk management embedded in the internal control system.

In view of the inherent limitations that exist in any system of internal controls, the system of internal controls and risk management within the Group are designed to manage rather than eliminate the risk of failure to meet its corporate objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatements, losses or fraud.

## Risk Management Framework

The Board recognises that effective risk management is critical to enhance shareholder's value and promote good corporate governance. The Group's risk management which is embedded in the internal control system is an ongoing process and is established for identifying, evaluating and managing significant risks faced by the Group in achieving its objectives and strategies. The identification, evaluation, reporting, monitoring and review of the key risks within the Group are executed by the Group's Management team who meets regularly to ensure that the risks faced by the Group are monitored and properly addressed. Significant risks identified are subsequently brought to the attention of the Board at the scheduled Board meetings. This serves as an on-going process of identifying, assessing and managing risks faced by the Group and has been in place for the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

This process is regularly reviewed by the Board via the Audit Committee ("AC") at the quarterly Board meeting with the assistance of the outsourced Internal Auditors to further review and improve the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the changing business and competitive environment.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

**Internal Control Structure**

The Board is committed to maintain a strong control structure and environment for the proper conduct of the Group's business operations.

The following set out the key elements of the Group's control environment include:

**(i) Organisation Structure**

The current organisation structure of the Group is incorporated with clear lines of accountability that sets out the authority delegated to the Board and Senior Management. The Board is supported by various established committees in discharging its responsibilities that includes the AC, and Nomination and Remuneration Committee respectively.

**(ii) Internal Audit Function**

The Group has outsourced its internal audit function to an independent professional consulting firm which assists the Board and the AC in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. For the financial period under review, the Internal Auditors have conducted various assignments and made recommendations to enhance the effectiveness of the control processes of the Group in accordance with the Internal Audit Plan approved by the AC. A summary of findings and recommendations are discussed at the AC meetings and the status of implementation of the actions agreed by Management is tracked and reported to the AC.

**(iii) Financial and Operational Information**

The Group has defined procedures and controls to ensure the reporting of complete and accurate financial information, taking into consideration the Malaysian Financial Reporting Standards. The annual financial statements and quarterly reports are reviewed by the Board and the AC before the announcement to Bursa Securities.

Policies and procedures of business operations within the Group are documented in Standard Operating Procedures manuals. The Standard Operating Procedures are periodically updated to reflect changing risks or to resolve operational deficiencies.

The annual budget which contains financial and operating targets and performance indicators are reviewed and approved by the Chief Executive Officer cum Executive Director ("CEO cum ED") together with the Senior Management before being presented to the Board for final review and approval. Consistent monitoring of result against budget, with major variances being followed up and management action taken, when necessary.

**(iv) Limit of Authority**

Authorisation limit that sets out the appropriate authorisation limits of respective levels of management are in place to ensure all transactions are properly authorised before they are undertaken. The authorisation limit is reviewed regularly to ensure that they continue to be relevant and effective. The CEO cum ED approves all changes to the authorisation limit.

**(v) Information and Communication**

The Board and Senior Management receive timely, relevant and reliable reports on the business progress against objectives and the key risks to enable them to make appropriate decisions. Regular management meetings are held to identify, discuss and resolve business and operational issues and to improve efficiency.

**(vi) Performance Management**

The Group has in place a proper control environment which emphasises on quality and performance of its employees through the development of a competency based human resources process. Training programmes, career development and appraisal systems are implemented for employees to ensure continuity and to ensure employees are competent in carrying out their duties.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

**Review of the Statement by External Auditors**

As required by Rule 15.23 of the Listing Requirements of Bursa Securities, this Statement on Risk Management and Internal Control has been reviewed by the External Auditors for the inclusion in the Annual Report 2022.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared in all material respects and in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

**Assurance**

The CEO cum ED has provided assurance to the Board that the Group's risk management and internal control system, in all material aspects are operating adequately and effectively.

**Conclusion**

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's internal control system with embedded risk management. There were no major weaknesses identified that would hamper the operations and lead to major financial impact of the Group that would require disclosure in the Group's Annual Report. The Board will continue to take appropriate measures to strengthen the control environment in the face of changing regulations and operating conditions.

This Statement on Risk Management and Internal Control is made on the recommendation of the AC to the Board and is made in accordance with the Board's resolution dated 19 August 2022.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM THE CORPORATE PROPOSALS

#### a. Rights Issue with Warrants A

The Company had on 11 November 2016 completed the Rights Issue with Warrants A following the admission of the Warrants A to the Official List and the listing of and quotation for 283,420,500 Right Shares together with 188,946,927 Warrants A on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

As at 30 April 2022, the status of utilisation of proceeds raised from the Rights Issue with Warrants A are as follows:

Description	Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)
Wireless and mobile application services expenses	Within 72 months	2,000	(1,425)	575
Multimedia related service expenses / Infrastructure development	Within 72 months	3,000	(1,600)	1,400
Digital related service expenses / Purchase of advertising display panels	Completed	8,000	(8,000)	–
Branch Expansion	Within 72 months	4,000	(1,299)	2,701
Repayment of bank borrowings	Completed	2,750	(2,750)	–
Working capital	Within 72 months	8,021	(4,633)	3,388
Corporate Exercises expenses	Completed	571	(571)	–
<b>Total</b>		<b>28,342</b>	<b>(20,278)</b>	<b>8,064</b>

Note:

The Board had on 25 September 2020 approved the utilisation of the proceeds derived from Rights Issue with Warrants A to be extended by 24 months to 10 November 2022.

## ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

## 1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM THE CORPORATE PROPOSALS (CONT'D)

## b. Rights Issue of Irredeemable Convertible Preference Shares ("ICPS") with Warrants B

The Rights Issue of ICPS with Warrants B was completed following the listing of and quotation of 1,497,963,330 ICPS together with 29,959,264 Warrants B on the ACE market of Bursa Securities on 13 September 2019.

As at 30 April 2022, the status of utilisation of proceeds raised from the Rights Issue of ICPS with Warrants B are as follows:

Description	Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)
#Upgrading of the Company and its subsidiaries' ("Group") bulk SMS messaging platform	Within 48 months	11,000	–	11,000
*#Upgrading of the Group's premium mobile content platform	Within 48 months	15,100	–	15,100
#Development of an online property management platform	Within 48 months	10,000	(3,950)	6,050
#Acquisition and/or investments in other complementary business and/or assets	Within 48 months	8,239	(8,052)	187
Expenses for the Corporate Exercises	Completed	600	(600)	–
<b>Total</b>		<b>44,939</b>	<b>(12,602)</b>	<b>32,337</b>

Notes:

\* Expenses for the Corporate Exercises surplus is adjusted accordingly to upgrading of the Group's premium mobile content platform.

# The Board had on 12 September 2021 approved an extension of time for the utilisation of the proceeds raised from the Rights Issue of ICPS with Warrants B from 24 months to 48 months.



## ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

## 1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM THE CORPORATE PROPOSALS (CONT'D)

## c. Private Placement

The Private Placement was completed on 11 March 2022 following the listing and quotation of 527,642,000 new ordinary shares at an issue price of RM 0.0176 each amounting to RM9,286,499.20 on ACE Market Bursa Securities.

As at 30 April 2022, the status of utilisation of proceeds raised from the Private Placement are as follows:

Purpose	Timeframe For Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)
Development of the Lifestyle E-commerce Platform	Within 18 months	5,500	–	5,500
#Working capital for the Lifestyle E-commerce Platform	Within 24 months	3,393	–	3,393
Estimated expenses for the Proposals	Completed	393	(393)	–
<b>Total</b>		<b>9,286</b>	<b>(393)</b>	<b>8,893</b>

*Note:*

# Any surplus of funds following payment for the Proposals will be allocated to working capital for the Lifestyle E-commerce Platform.

## 2. AUDIT FEES AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors and its affiliates by the Company and the Group for the financial year ended 30 April 2022 are as follows:

	Group RM	Company RM
Audit Fees	79,500	52,000
Non-Audit Fees	3,500	3,500

## ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

**3. EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")**

The ESOS was approved by the shareholders at an Extraordinary General Meeting of the Company held on 9 April 2021, for the issuance of new ordinary shares up to thirty percent (30%) of the Company's total number of issued shares (excluding treasury shares, if any). The ESOS would be in force for a period of five (5) years from the effective date of implementation on 3 September 2021.

During the financial year ended 30 April 2022, there was no ESOS option granted to any eligible employees and Directors of the Group.

**4. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

There was no material contract entered into by the Group which involved the interest of the Directors' and major shareholders' during the financial year under review.

**5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")**

There was no RRPT of a revenue or trading nature entered into by the group during the financial year ended 30 April 2022.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors ("the Board") is required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia, which give a true and fair view of the financial position of the Group and of the Company at the end of each financial year.

In preparing the financial statements for the financial year ended 30 April 2022, the Directors have considered that:-

- the appropriate accounting policies have been adopted and applied consistently;
- reasonable and prudent judgements and estimates were made;
- approved accounting standards in Malaysia have been applied; and
- the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company at any time, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Directors have overall responsibilities for taking reasonable steps to safeguard the assets of the Group and of the Company, to prevent and detect fraud and any irregularities.

# FINANCIAL STATEMENTS

## Financial Statements

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## 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 30 April 2022.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are sales and marketing, and research and development of wireless, mobile and multimedia solutions and content and investment holding. The principal activities of the subsidiary companies are as set out in *Note 7* to the financial statements. There were no significant changes in the nature of these activities during the financial year.

### FINANCIAL RESULTS

	Group RM	Company RM
Total comprehensive loss attributable to: Owners of the Company	(17,454,701)	(15,271,032)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

### DIVIDEND

No dividend has been paid or declared since the end of the previous financial year. The directors do not propose any dividend in respect of the current financial year.

### MOVEMENTS ON RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- i) issued 527,642,000 new ordinary shares through private placement at issue price RM0.0176 per ordinary share for a total cash consideration of RM9,286,499; and
- ii) issued 449,900 new ordinary shares at book value of RM0.0582 each arising from conversion of 899,800 units of ICPS on the basis of 2 units of ICPS for 1 new ordinary share.

These new ordinary shares rank *pari passu* with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

### IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

On 13 September 2019, the Company issued 1,497,963,330 new ICPS pursuant to the Rights Issue of ICPS with Warrants Exercise on the basis of 50 ICPS together with 1 free warrant for every 10 existing ordinary shares of the Company held on entitlement date.

Details of the ICPS are disclosed in *Note 14* to financial statements.

As at 30 April 2022, the total number of ICPS that remain unconverted was 209,591,502.

## DIRECTORS' REPORT

(CONT'D)

**EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

On 9 April 2021, the Company obtained approval from the shareholders for the issuance of ESOS of not exceeding in aggregate thirty percent (30%) of the Company's total issued share capital (excluding treasury shares) at any point of time during the duration of the ESOS. The ESOS shall be allocated to any eligible employee of the Group who fulfilled the eligibility criteria for participation in the ESOS.

The salient features of ESOS are, inter alia, as follows:

- i) The effective date for the implementation of the ESOS is fixed on 3 September 2021 and shall be in force for a period of 5 years commencing from the effective date, and may upon the recommendation of the ESOS Committee, be extended for a further period of up to 5 years, and shall not in aggregate exceed a duration of 10 years from the effective date;
- ii) The option granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiple of and not less than 100 shares;
- iii) Each ESOS option entitles the eligible employee to subscribe for such number of ordinary shares in the Company pursuant to an offer duly accepted by the eligible employee at the exercise price to be determined by the ESOS Committee at its discretion based on the 5-days volume weighted average price of the Company's share as quoted in Bursa Malaysia Securities Berhad, immediately prior to the date of offer made by the ESOS Committee with a discount of not more than 10%, if deemed appropriate;
- iv) In the event of any alteration in the capital structure of the Company during the option period, whether by way of a right issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or any other variation of capital shall take place or if the Company shall make a capital distribution during the option period, such corresponding alterations (if any) shall be made in the number of shares relating to unexercised options and option price; and
- v) The Options shall not carry any right to attend and vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, distributions rights or other entitlement on his unexercised Options.

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

**WARRANTS**

On 11 November 2016, the Company listed and quoted 188,946,927 Warrants A pursuant to the Rights Issue with Warrants Exercise on the basis of 2 Warrants A for every 3 right shares subscribed. Warrants A are constituted by the Deed Poll dated 27 September 2016.

On 13 September 2019, the Company listed and quoted 29,959,264 Warrants B pursuant to the Rights Issue of ICPS with Warrants Exercise on the basis of 1 Warrant B for every 50 ICPS subscribed. Warrants B are constituted by the Deed Poll dated 18 July 2019.

Other salient features of the Warrants are disclosed in *Note 16* to financial statements.

The Warrants A had expired on 5 November 2021. 188,946,927 Warrants A which are not exercised has been lapsed and become null and void and ceased to be valid for any purpose.

As at 30 April 2022, the total number of Warrants B that remain unexercised was 29,959,264.

## DIRECTORS' REPORT

(CONT'D)

## DIRECTORS

The directors in office since the date of the last report are:

Datuk Tan Chor How Christopher\*  
 Dato' Kua Khai Shyuan\*  
 Wong Kok Seong  
 Pang Siaw Sian  
 Thu Soon Shien  
 Dato' Muhammad Shuib Bin Md Hashim

\* A director who also holds office in the subsidiary companies.

## DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, particulars of directors' interests in the shares of the Company at the end of the financial year are as follows:

	<b>Number of Ordinary shares</b>			
	<b>Balance at 01.05.2021</b>	<b>Bought</b>	<b>Sold</b>	<b>Balance at 30.04.2022</b>
Datuk Tan Chor How Christopher	133,383,333	–	–	133,383,333
	<b>Number of Warrants B</b>			
	<b>Balance at 01.05.2021</b>	<b>Bought</b>	<b>Sold/ Converted</b>	<b>Balance at 30.04.2022</b>
Datuk Tan Chor How Christopher	5,333,333	–	–	5,333,333

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (*other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company*) 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.

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

## INDEMNITY AND INSURANCE COST

No indemnity has been given during the financial year, for any person who is or has been the director, officer or auditor of the Company.

## DIRECTORS' REMUNERATION

The amount of remunerations received and receivable by the directors of the Company and its subsidiary companies during the financial year are disclosed in *Note 26* of the financial statements.

## DIRECTORS' REPORT

(CONT'D)

**OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were prepared, 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 allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render it necessary to write off any bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
- (d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the 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 31* to the financial statements.

**SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR**

The significant events subsequent to the financial year are disclosed in *Note 32* to the financial statements.



## DIRECTORS' REPORT

(CONT'D)

### AUDITORS

The details of the auditors' remuneration for the financial year are disclosed in *Note 23* to the financial statements.

The auditors, Messrs Ong & Wong, Chartered Accountants, have expressed their willingness to continue in office.

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

**WONG KOK SEONG**  
Director

**DATUK TAN CHOR HOW  
CHRISTOPHER**  
Director

Kuala Lumpur  
Date: 19 August 2022

# STATEMENT BY DIRECTORS

## PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the directors, the financial statements set out on pages 54 to 108 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 exhibit a true and fair view of the financial positions of the Group and of the Company as at 30 April 2022 and of the financial performance and cash flows of the Group and of the Company for the year ended on that date.

Signed in Kuala Lumpur on 19 August 2022

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

**WONG KOK SEONG**

**DATUK TAN CHOR HOW CHRISTOPHER**

# STATUTORY DECLARATION

## PURSUANT TO SECTION 251(1) (B) OF THE COMPANIES ACT 2016

I, Datuk Tan Chor How Christopher, being the director primarily responsible for the financial management of M N C Wireless Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 54 to 108 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly  
declared in Kuala Lumpur on 19 August 2022

**DATUK TAN CHOR HOW CHRISTOPHER**

Before me,

DATIN RAIHELA BINTI WANCHIK  
LICENSE NO. W275

Commissioner for Oaths  
Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M N C WIRELESS BERHAD

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of M N C Wireless Berhad, which comprise the statements of financial position as at 30 April 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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.

### *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. For each matter below, our description of how our audit addressed the matter is provided in that context.

## INDEPENDENT AUDITORS' REPORT

(CONT'D)

*Key Audit Matters (cont'd)*

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk area and rationale	Our response
<p><b>Trade Receivables (Note 9 to the financial statements)</b></p> <p>The adoption of MFRS 9 Financial Instruments has changed the Group's and the Company's accounting policy for impairment by replacing an incurred loss model with a forward looking expected credit loss approach.</p> <p>We considered this a key audit matter as the assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness, current economic trends, customer payment terms and etc.</p> <p>As at 30 April 2022, gross trade receivables of the Group amounted to RM4,292,699 and the accumulated impairments amounted to RM205,574.</p>	<ol style="list-style-type: none"> <li>1) Obtained an understanding of the Group's control over the receivables collection process and making inquiries regarding the action plans to recover the overdue amounts;</li> <li>2) Reviewed the aging analysis of receivables and testing the reliability thereof;</li> <li>3) Requested balance confirmations and reviewed subsequent collections from receivables; and</li> <li>4) Evaluated the reasonableness and adequacy of the impairment losses provided based on historical data and forward looking information as required by MFRS 9.</li> </ol>

*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 auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Statements*

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

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

## INDEPENDENT AUDITORS' REPORT

(CONT'D)

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

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 for the audited financial statements for the financial year ended 30 April 2022 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 for this report.

**ONG & WONG**

AF: 0241

Chartered Accountants

**ONG KONG LAI**

00494/06/2024 J

Chartered Accountant

Kuala Lumpur  
Date: 19 August 2022

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2022

			Group		Company
	Note	2022 RM	2021 RM	2022 RM	2021 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	<b>9,017,164</b>	9,682,118	<b>7,212,405</b>	7,336,274
Intangible assets	6	<b>7,659,734</b>	10,246,933	<b>4,960,567</b>	6,757,766
Investment in subsidiary companies	7	<b>–</b>	–	<b>1,165,037</b>	1,165,037
Other investments	8	<b>98,751</b>	4,260,425	<b>98,751</b>	4,260,425
		<b>16,775,649</b>	24,189,476	<b>13,436,760</b>	19,519,502
<b>CURRENT ASSETS</b>					
Trade receivables	9	<b>4,087,125</b>	5,455,646	<b>788,952</b>	2,498,685
Other receivables, deposits and prepayments	10	<b>473,439</b>	11,782,195	<b>326,810</b>	11,595,236
Amount owing by subsidiary companies	11	<b>–</b>	–	<b>10,545,485</b>	9,088,861
Current tax assets		<b>580,190</b>	168,858	<b>348,004</b>	–
Fixed deposits	12	<b>72,261,318</b>	60,467,366	<b>72,147,189</b>	60,354,423
Cash and bank balances		<b>1,259,336</b>	1,072,731	<b>1,072,014</b>	816,734
		<b>78,661,408</b>	78,946,796	<b>85,228,454</b>	84,353,939
<b>TOTAL ASSETS</b>		<b>95,437,057</b>	103,136,272	<b>98,665,214</b>	103,873,441

## STATEMENTS OF FINANCIAL POSITION

(CONT'D)

			<i>Group</i>		<i>Company</i>
	<i>Note</i>	<b>2022</b>	2021	<b>2022</b>	2021
		<b>RM</b>	RM	<b>RM</b>	RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	13	<b>123,650,845</b>	114,338,162	<b>123,650,845</b>	114,338,162
Irredeemable convertible preference shares	14	<b>6,096,117</b>	6,122,301	<b>6,096,117</b>	6,122,301
Revaluation reserve	15	<b>2,683,713</b>	2,715,917	<b>2,683,713</b>	2,715,917
Warrant reserve	16	<b>1,351,163</b>	6,074,836	<b>1,351,163</b>	6,074,836
Accumulated losses		<b>(49,045,636)</b>	(36,346,812)	<b>(40,707,534)</b>	(30,192,379)
<b>TOTAL EQUITY</b>		<b>84,736,202</b>	92,904,404	<b>93,074,304</b>	99,058,837
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Finance lease payables	17	<b>368,618</b>	656,547	–	–
Deferred tax liabilities	18	<b>880,498</b>	891,063	<b>880,498</b>	891,063
		<b>1,249,116</b>	1,547,610	<b>880,498</b>	891,063
<b>CURRENT LIABILITIES</b>					
Trade payables	19	<b>3,992,321</b>	4,038,910	<b>471,493</b>	539,497
Other payables and accruals	20	<b>5,171,489</b>	4,226,922	<b>4,238,919</b>	3,240,436
Finance lease payables	17	<b>287,929</b>	274,818	–	–
Income tax payable		–	143,608	–	143,608
		<b>9,451,739</b>	8,684,258	<b>4,710,412</b>	3,923,541
<b>TOTAL LIABILITIES</b>		<b>10,700,855</b>	10,231,868	<b>5,590,910</b>	4,814,604
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>95,437,057</b>	103,136,272	<b>98,665,214</b>	103,873,441

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



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2022

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<b>2022 RM</b>	2021 RM	<b>2022 RM</b>	2021 RM
Revenue	21	<b>15,025,203</b>	21,238,544	<b>1,690,768</b>	5,684,549
Cost of sales		<b>(12,627,170)</b>	(17,978,985)	<b>(1,240,402)</b>	(4,324,554)
Gross profit		<b>2,398,033</b>	3,259,559	<b>450,366</b>	1,359,995
Other operating income		<b>1,295,817</b>	9,913,899	<b>2,080,508</b>	10,552,700
Sales and distribution costs		<b>2,923</b>	(3,289)	<b>2,923</b>	(3,289)
Administrative expenses		<b>(21,530,745)</b>	(30,136,992)	<b>(18,184,965)</b>	(24,878,406)
Net reversal/(allowance) of impairment on financial assets		<b>97,808</b>	(119,945)	<b>62,571</b>	(132,683)
Loss from operations		<b>(17,736,164)</b>	(17,086,768)	<b>(15,588,597)</b>	(13,101,683)
Finance costs	22	<b>(36,102)</b>	(49,212)	<b>–</b>	–
Loss before taxation	23	<b>(17,772,266)</b>	(17,135,980)	<b>(15,588,597)</b>	(13,101,683)
Income tax expense	24	<b>317,565</b>	(640,312)	<b>317,565</b>	(525,842)
Loss after taxation, representing total comprehensive loss for the year		<b>(17,454,701)</b>	(17,776,292)	<b>(15,271,032)</b>	(13,627,525)
Loss/Total comprehensive loss attributable to:					
Owners of the Company		<b>(17,454,701)</b>	(17,776,292)		
Loss per share (sen)					
- Basic	25	<b>(0.95)</b>	(1.23)		
- Diluted	25	<b>N/A</b>	N/A		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2022

	Attributable to Owners of the Company				
	Non-distributable				
	Share Capital RM	Preference Shares RM	Revaluation Reserve RM	Warrant Reserve RM	Accumulated Losses RM
		Irredeemable Convertible Preference Shares RM			Total Equity RM
<i>Group</i>					
At 1 May 2020	83,195,635	7,167,364	2,748,121	6,074,836	(18,602,724)
<i>Transactions with owners:</i>					
Conversion of ICPS to ordinary shares	1,324,092	(1,045,063)	-	-	-
Issuance of shares pursuant to the exercise of ESOS	29,818,435	-	-	-	-
Total transactions with owners	31,142,527	(1,045,063)	-	-	-
Loss after taxation	-	-	-	-	-
Realisation of the revaluation reserve	-	-	(32,204)	-	(17,776,292)
Total comprehensive loss for the year	-	-	(32,204)	-	(17,776,292)
At 30 April 2021	114,338,162	6,122,301	2,715,917	6,074,836	(36,346,812)
At 1 May 2021	114,338,162	6,122,301	2,715,917	6,074,836	(36,346,812)
<i>Transactions with owners:</i>					
Ordinary shares issued through private placement	9,286,499	-	-	-	-
Conversion of ICPS to ordinary shares	26,184	(26,184)	-	-	-
Expiration of warrants	-	-	-	(4,723,673)	4,723,673
Total transactions with owners	9,312,683	(26,184)	-	(4,723,673)	4,723,673
Loss after taxation	-	-	-	-	-
Realisation of the revaluation reserve	-	-	(32,204)	-	(17,454,701)
Total comprehensive loss for the year	-	-	(32,204)	-	(17,454,701)
At 30 April 2022	123,650,845	6,096,117	2,683,713	1,351,163	(49,045,636)
					84,736,202

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

## STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

	Attributable to Owners of the Company						
	Non-distributable						
Company	Share Capital RM	Preference Shares RM	Irredeemable Convertible Preference Shares RM	Revaluation Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
At 1 May 2020	83,195,635		7,167,364	2,748,121	6,074,836	(16,597,058)	82,588,898
Transactions with owners:							
Conversion of ICPS to ordinary shares	1,324,092		(1,045,063)	-	-	-	279,029
Issuance of shares pursuant to the exercise of ESOS	29,818,435		-	-	-	-	29,818,435
Total transactions with owners	31,142,527		(1,045,063)	-	-	-	30,097,464
Loss after taxation	-		-	-	-	(13,627,525)	(13,627,525)
Realisation of the revaluation reserve	-		-	(32,204)	-	32,204	-
Total comprehensive loss for the year	-		-	(32,204)	-	(13,595,321)	(13,627,525)
At 30 April 2021	114,338,162		6,122,301	2,715,917	6,074,836	(30,192,379)	99,058,837
At 1 May 2021	114,338,162		6,122,301	2,715,917	6,074,836	(30,192,379)	99,058,837
Transactions with owners:							
Ordinary shares issued through private placement	9,286,499		-	-	-	-	9,286,499
Conversion of ICPS to ordinary shares	26,184		(26,184)	-	-	-	-
Expiration of warrants	-		-	-	(4,723,673)	4,723,673	-
Total transactions with owners	9,312,683		(26,184)	-	(4,723,673)	4,723,673	9,286,499
Loss after taxation	-		-	-	-	(15,271,032)	(15,271,032)
Realisation of the revaluation reserve	-		-	(32,204)	-	32,204	-
Total comprehensive loss for the year	-		-	(32,204)	-	(15,238,828)	(15,271,032)
At 30 April 2022	123,650,845		6,096,117	2,683,713	1,351,163	(40,707,534)	93,074,304

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before taxation	(17,772,266)	(17,135,980)	(15,588,597)	(13,101,683)
<i>Adjustments for:</i>				
Allowance for impairment losses on trade receivables	–	4,978	–	4,978
Amortisation of intangible assets	2,587,199	1,826,567	1,797,199	1,365,734
Depreciation of property, plant and equipment	721,046	737,354	179,961	121,850
Gain on disposal of property, plant and equipment	–	(165,999)	–	–
Loss/(Gain) on disposal of quoted shares	8,780,469	(8,153,567)	8,780,469	(8,153,567)
Impairment losses on quoted shares	655,235	1,432,947	655,235	1,432,947
Interest expenses	36,102	49,212	–	–
Interest income	(1,148,592)	(1,497,610)	(1,147,406)	(1,493,863)
Net (reversal)/allowance of impairment on financial assets	(97,808)	119,945	(62,571)	132,683
Property, plant and equipment written off	–	3,083	–	3,083
Staff costs - Share-based payment	–	4,533,235	–	4,533,235
<i>Operating loss before working capital changes</i>	<b>(6,238,615)</b>	(18,245,835)	<b>(5,385,710)</b>	(15,154,603)
Decrease/(Increase) in receivables	12,775,085	(7,055,090)	13,040,730	(8,803,456)
Increase/(Decrease) in payables	897,976	(2,661,803)	930,477	(1,907,300)
Increase in amount owing by subsidiary companies	–	–	(1,456,524)	(5,181,609)
<i>Cash generated from/(used in) operations</i>	<b>7,434,446</b>	(27,962,728)	<b>7,128,973</b>	(31,046,968)
Tax paid	(247,940)	(561,393)	(184,612)	(426,071)
<i>Net cash generated from/(used in) operating activities</i>	<b>7,186,506</b>	(28,524,121)	<b>6,944,361</b>	(31,473,039)

## STATEMENTS OF CASH FLOWS

(CONT'D)

	<i>Group</i>		<i>Company</i>	
	<b>2022 RM</b>	2021 RM	<b>2022 RM</b>	2021 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	<b>1,148,592</b>	1,497,610	<b>1,147,406</b>	1,493,863
Investment in quoted shares	<b>(77,862,792)</b>	(50,731,190)	<b>(77,862,792)</b>	(50,731,190)
Purchase of property, plant and equipment	<b>(56,092)</b>	(34,890)	<b>(56,092)</b>	(34,890)
Purchase of intangible assets	–	(7,186,000)	–	(3,236,000)
Proceeds from disposal of property, plant and equipment	–	199,000	–	–
Proceeds from disposal of quoted shares	<b>72,588,764</b>	56,673,409	<b>72,588,764</b>	56,673,409
<i>Net cash (used in)/generated from investing activities</i>	<b>(4,181,528)</b>	417,939	<b>(4,182,714)</b>	4,165,192
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid	<b>(36,102)</b>	(49,212)	–	–
Proceeds from issuance of ordinary shares through conversion of irredeemable convertible preference shares to ordinary shares, net of share issuance expenses	<b>26,184</b>	1,324,092	<b>26,184</b>	1,324,092
Conversion of irredeemable convertible preference shares to ordinary shares	<b>(26,184)</b>	(1,045,063)	<b>(26,184)</b>	(1,045,063)
Proceeds from issuance of ordinary shares through private placement	<b>9,286,499</b>	–	<b>9,286,499</b>	–
Proceeds from exercise of ESOS	–	25,285,200	–	25,285,200
Repayment of finance lease payables	<b>(274,818)</b>	(261,708)	–	–
<i>Net cash generated from financing activities</i>	<b>8,975,579</b>	25,253,309	<b>9,286,499</b>	25,564,229
<i>Net increase/(decrease) in cash and cash equivalents</i>	<b>11,980,557</b>	(2,852,873)	<b>12,048,046</b>	(1,743,618)
<i>Cash and cash equivalents at the beginning of the financial year</i>	<b>61,540,097</b>	64,392,970	<b>61,171,157</b>	62,914,775
<i>Cash and cash equivalents at the end of year (Note A)</i>	<b>73,520,654</b>	61,540,097	<b>73,219,203</b>	61,171,157

## NOTES TO STATEMENTS OF CASH FLOWS

(A) Cash and cash equivalents comprise:				
Fixed deposits	<b>72,261,318</b>	60,467,366	<b>72,147,189</b>	60,354,423
Cash and bank balances	<b>1,259,336</b>	1,072,731	<b>1,072,014</b>	816,734
	<b>73,520,654</b>	61,540,097	<b>73,219,203</b>	61,171,157

# NOTES TO THE FINANCIAL STATEMENTS

- 30 APRIL 2022

## 1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are sales and marketing, and research and development of wireless, mobile and multimedia solutions and content and investment holding. The principal activities of the subsidiary companies are as set out in Note 7. There were no significant changes in the nature of these activities during the financial year.

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

The address of the registered office of the company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The address of the principal place of business of the Company is located at 100-3.011, 129 Offices, Jaya One, No. 72A, Jalan Profesor Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

### (a) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Amendments

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year except for the adoption of the following new, revised MFRSs and amendments which are effective for annual period beginning on or after 1 January 2021.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendments to MFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30th June 2021	1 April 2021

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

#### (b) Standards and Amendments Issued But Not Yet Effective

At the date of authorisation for issue of the financial statements, the new and revised Standards and Amendments issued but not yet effective for the Group and the Company and not early adopted by the Group and by the Company are as listed below:

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
MFRS 1: Annual Improvements to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to the Conceptual	1 January 2022
MFRS 9: Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract- Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the perspective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not to be expected to have any material impact to financial statements of the Group and of the Company.

#### (c) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the significant accounting policies as disclosed in *Note 3* below.

The financial statements are presented in Ringgit Malaysia (“RM”).

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES**

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

**(a) Basis of Consolidation**

The financial statements of the Group include the audited financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

**(i) *Acquisition method of accounting for business combinations***

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

**(ii) *Non-controlling interest***

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary company 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 company. 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 Company.



## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

#### (b) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses where applicable.

Buildings are stated at revalued amount less accumulated depreciation and impairment losses, if any, recognised after the date of the revaluation.

Buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land has an unlimited useful life and therefore is not depreciated.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives.

Freehold buildings included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated based on the estimated useful lives of the assets at the following annual rates:

	%
Buildings	50 years
Computers	20 - 40
Furniture, fittings and equipment	10
Motor vehicles	20
Renovation	20

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

#### (c) Intangible Assets

##### System Platform

The system platform are measured initially at cost. Following initial acquisition, system platform are measured at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful life of system platform are assessed to be finite. System platform are amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for system platform with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on system platform with finite lives are recognised in profit or loss.

Gain or losses arising from derecognition of system platform are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Investment In Subsidiary Companies**

Subsidiary companies are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

**(e) Financial Instruments**

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

**(i) *Recognition and initial measurement***

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

**(ii) *Financial instrument categories and subsequent measurement*****Financial assets**

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

**a. *Amortised cost***

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(e) Financial Instruments (cont'd)

(ii) *Financial instrument categories and subsequent measurement (cont'd)*

Financial assets (cont'd)

b. Fair value through other comprehensive income

i. Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

ii. Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income on initial recognition. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

c. Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Financial Instruments (cont'd)(ii) *Financial instrument categories and subsequent measurement (cont'd)*Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

## a. Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as fair value through profit or loss:

- i. if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- ii. a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- iii. if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

## b. Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(e) Financial Instruments (cont'd)

(iii) *Regular way purchase or sale of financial assets*

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- a. the recognition of an asset to be received and the liability to pay for it on the trade date, and
- b. derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- a. the recognition of an asset on the day it is received by the Group and the Company, and
- b. derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group and the Company applied settlement date accounting unless otherwise stated for the specific class of asset.

(iv) *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

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

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

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Financial Instruments (cont'd)****(v) Hedge accounting**

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

**a. Fair value hedge**

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument which the Group and the Company have elected to present the subsequent changes in fair value of the investment in equity in other comprehensive income).

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognised in profit or loss.

However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income. When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

**b. Cash flow hedge**

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge asset or a liability with a corresponding gain or loss recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(e) Financial Instruments (cont'd)

(vi) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vii) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(f) Impairment

(i) *Financial Assets*

The Group and the Company recognise loss allowances for expected credit losses ("ECL") 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 16-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 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 16-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 16 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

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

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) Impairment (cont'd)****(i) *Financial Assets (cont'd)***

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

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

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

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

**(ii) *Non-financial Assets***

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.



## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(g) Warrant Reserve

Amount allocated in relation to the issuance of warrants is credited to warrant reserve which is non-distributable. Warrant reserve is transferred to share capital or retained profits upon the exercise or expiry of the warrants respectively.

(h) Fair Value Measurement

The Group and the Company measure the marketable securities at fair value at each end of reporting date.

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 places either:

- (i) in the principal market for the assets or liability; or
- (ii) 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 the Group and to the Company.

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

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used 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 the 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 the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(i) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

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

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

**(k) Foreign Currency Translation****(i) *Functional and Presentation Currency***

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

**(ii) *Foreign Currency Transactions***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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 and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(l) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - a. controls, is controlled by, or is under common control with, the entity (this includes holding company, subsidiary companies and fellow subsidiary companies);
  - b. has an interest in the entity that gives it significant influence over the entity; or
  - c. has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venture;
- (iv) the party is a member of the key management personnel of the entity or its holding company;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

(m) Revenue Recognition

- (i) Revenue from services is recognised when services are performed.
- (ii) Interest income is recognised on an accrual basis using the effective interest method.
- (iii) Rental income is recognised on an accrual basis.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(n) Income Tax Expense**

Income taxes for the year comprise current and deferred tax.

**(i) *Current Tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(ii) *Deferred Tax***

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

**(o) Employee Benefits****(i) *Short Term Employee Benefits***

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period 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 are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Past-service costs are recognised immediately in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(o) Employee Benefits (cont'd)

(ii) *Defined Contribution Plan*

The Company's and its subsidiary companies' contributions to defined contribution plans regulated and managed by the government, are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Company and its subsidiary companies have no further financial obligations.

(iii) *Share-based Payment Transactions*

Equity-settled Share-based Payment Transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

(p) Earnings Per Ordinary Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(q) Cash And Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's and of the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

(r) 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 revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenue.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(s) Lease**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease. The Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of The Group if it is reasonable certain to assess that option, and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where The Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

**(a) Judgements Made in Applying Accounting Policies**

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

**(b) Key Sources of Estimation Uncertainty**

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

**(i) Impairment of Investment in Subsidiaries**

The management determines whether the carrying amounts of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation or based on total shareholders' equity of the subsidiaries.

The carrying amount of investment in subsidiaries as at 30 April 2022 were RM1,165,037 (2021: RM1,165,037). Further details are disclosed in Note 7 to the financial statements. Based on management's review, no further adjustment for impairment is required for the investment in subsidiaries by the Company during the current year.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (cont'd)

(ii) Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's financial assets at the reporting date is disclosed in *Note 30(c)* to the financial statements.

(iii) Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

The estimates for residual values, useful lives and related depreciation or amortisation charges for the property, plant and equipment and intangible assets are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment and intangible assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable or amortisable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation or amortisation charges could be revised.

The carrying amount of property, plant and equipment and intangible assets are disclosed in *Note 5* and *Note 6*.

(iv) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. 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 period in which such determination is made.

(v) Employee Share Options Scheme ("ESOS") Reserve

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimates also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	At Valuation		At Cost					Total RM
	Buildings RM	Freehold buildings RM	Computers RM	Furniture, fittings and equipment RM	Motor vehicle RM	Renovation RM		
Cost/Valuation								
At 1 May 2020	7,500,000	1,299,480	1,042,482	222,931	3,355,119	245,818	13,665,830	
Additions	-	-	18,890	3,750	-	12,250	34,890	
Disposal	-	-	-	-	(374,906)	-	(374,906)	
Written off	-	-	(7,802)	-	-	-	(7,802)	
At 30 April 2021 / 1 May 2021	7,500,000	1,299,480	1,053,570	226,681	2,980,213	258,068	13,318,012	
Additions	-	-	33,102	9,390	-	13,600	56,092	
At 30 April 2022	7,500,000	1,299,480	1,086,672	236,071	2,980,213	271,668	13,374,104	
Accumulated depreciation								
At 1 May 2020	144,009	-	1,037,506	160,915	1,665,269	237,465	3,245,164	
Charge for the year	86,406	-	9,922	17,682	614,787	8,557	737,354	
Disposal	-	-	-	-	(341,905)	-	(341,905)	
Written off	-	-	(4,719)	-	-	-	(4,719)	
At 30 April 2021 / 1 May 2021	230,415	-	1,042,709	178,597	1,938,151	246,022	3,635,894	
Charge for the year	150,000	-	13,174	12,438	540,368	5,066	721,046	
At 30 April 2022	380,415	-	1,055,883	191,035	2,478,519	251,088	4,356,940	
Net carrying amount								
At 30 April 2022	7,119,585	1,299,480	30,789	45,036	501,694	20,580	9,017,164	
At 30 April 2021	7,269,585	1,299,480	10,861	48,084	1,042,062	12,046	9,682,118	



## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	At Valuation	At Cost			
	Buildings RM	Computers RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
<i>Company</i>					
<i>Cost/Valuation</i>					
At 1 May 2020	7,500,000	1,042,482	201,385	245,818	8,989,685
Additions	–	18,890	3,750	12,250	34,890
Written off	–	(7,802)	–	–	(7,802)
At 30 April 2021 / 1 May 2021	<b>7,500,000</b>	<b>1,053,570</b>	<b>205,135</b>	<b>258,068</b>	<b>9,016,773</b>
Additions	–	<b>33,102</b>	<b>9,390</b>	<b>13,600</b>	<b>56,092</b>
At 30 April 2022	<b>7,500,000</b>	<b>1,086,672</b>	<b>214,525</b>	<b>271,668</b>	<b>9,072,865</b>
<i>Accumulated depreciation</i>					
At 1 May 2020	144,009	1,037,506	144,388	237,465	1,563,368
Charge for the year	86,406	9,922	16,965	8,557	121,850
Written off	–	(4,719)	–	–	(4,719)
At 30 April 2021 / 1 May 2021	<b>230,415</b>	<b>1,042,709</b>	<b>161,353</b>	<b>246,022</b>	<b>1,680,499</b>
Charge for the year	<b>150,000</b>	<b>13,174</b>	<b>11,721</b>	<b>5,066</b>	<b>179,961</b>
At 30 April 2022	<b>380,415</b>	<b>1,055,883</b>	<b>173,074</b>	<b>251,088</b>	<b>1,860,460</b>
<i>Net carrying amount</i>					
At 30 April 2022	<b>7,119,585</b>	<b>30,789</b>	<b>41,451</b>	<b>20,580</b>	<b>7,212,405</b>
At 30 April 2021	7,269,585	10,861	43,782	12,046	7,336,274

- (a) The buildings of the Group and of the Company have been pledged to a licensed bank as securities for banking facilities granted to the Group and to the Company.
- (b) The buildings were revalued in March 2022 by the Group and the Company based on valuation carried out by independent professional valuers using the open market value basis.
- (c) Freehold land has an indefinite useful life and therefore is not depreciated.
- (d) Certain freehold buildings included in property, plant and equipment of the Group are not depreciated as these assets still in progress of capitalisation.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(e) If the buildings were measured using the cost model, the net carrying amount would be as follows:

	<i>Group and Company</i>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Buildings		
Cost	<b>3,994,400</b>	3,994,400
Less: Accumulated depreciation	<b>(639,104)</b>	(559,216)
	<b>3,355,296</b>	3,435,184

(f) The net carrying amount of property, plant and equipment of the Group includes the following assets held under finance lease agreements:

	<i>Group</i>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Motor vehicles	<b>479,044</b>	926,740

## 6. INTANGIBLE ASSETS

	<b>Mobile TAC Solution RM</b>	<b>Mobile Game Platform RM</b>	<b>Website Solution Platform RM</b>	<b>Property Management Platform RM</b>	<b>Total RM</b>
<i>Group</i>					
<i>Cost</i>					
At 1 May 2020	3,400,000	2,350,000	–	–	5,750,000
Additions	–	–	3,236,000	3,950,000	7,186,000
At 30 April 2021	<b>3,400,000</b>	<b>2,350,000</b>	<b>3,236,000</b>	<b>3,950,000</b>	<b>12,936,000</b>
Additions	–	–	–	–	–
At 30 April 2022	<b>3,400,000</b>	<b>2,350,000</b>	<b>3,236,000</b>	<b>3,950,000</b>	<b>12,936,000</b>
<i>Accumulated amortisation</i>					
At 1 May 2020	510,000	352,500	–	–	862,500
Charge for the year	680,000	470,000	215,734	460,833	1,826,567
At 30 April 2021	<b>1,190,000</b>	<b>822,500</b>	<b>215,734</b>	<b>460,833</b>	<b>2,689,067</b>
Charge for the year	<b>680,000</b>	<b>470,000</b>	<b>647,199</b>	<b>790,000</b>	<b>2,587,199</b>
At 30 April 2022	<b>1,870,000</b>	<b>1,292,500</b>	<b>862,933</b>	<b>1,250,833</b>	<b>5,276,266</b>
<i>Net carrying amount</i>					
At 30 April 2022	<b>1,530,000</b>	<b>1,057,500</b>	<b>2,373,067</b>	<b>2,699,167</b>	<b>7,659,734</b>
At 30 April 2021	2,210,000	1,527,500	3,020,266	3,489,167	10,246,933

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 6. INTANGIBLE ASSETS (CONT'D)

<i>Company</i>	<b>Mobile TAC Solution RM</b>	<b>Mobile Game Platform RM</b>	<b>Website Solution Platform RM</b>	<b>Total RM</b>
<i>Cost</i>				
At 1 May 2020	3,400,000	2,350,000	–	5,750,000
Additions	–	–	3,236,000	3,236,000
At 30 April 2021	<b>3,400,000</b>	<b>2,350,000</b>	<b>3,236,000</b>	<b>8,986,000</b>
Additions	–	–	–	–
At 30 April 2022	<b>3,400,000</b>	<b>2,350,000</b>	<b>3,236,000</b>	<b>8,986,000</b>
<i>Accumulated amortisation</i>				
At 1 May 2020	510,000	352,500	–	862,500
Charge for the year	680,000	470,000	215,734	1,365,734
At 30 April 2021	<b>1,190,000</b>	<b>822,500</b>	<b>215,734</b>	<b>2,228,234</b>
Charge for the year	<b>680,000</b>	<b>470,000</b>	<b>647,199</b>	<b>1,797,199</b>
At 30 April 2022	<b>1,870,000</b>	<b>1,292,500</b>	<b>862,933</b>	<b>4,025,433</b>
<i>Net carrying amount</i>				
At 30 April 2022	<b>1,530,000</b>	<b>1,057,500</b>	<b>2,373,067</b>	<b>4,960,567</b>
At 30 April 2021	2,210,000	1,527,500	3,020,266	6,757,766

## (a) Mobile TAC Solution

The module that is easily integrated with existing online systems to ensure authorised and secure online transactions can be achieved, via online transaction request initiated by user, in which the receiving system subsequently sends a unique TAC (Transaction Access Code) via SMS to the user's mobile phone and user is required to provide this TAC code to the system for verification.

## (b) Mobile Game Platform

Providing an array of mobile games via opt-in game subscription services using their mobile phones via SMS request and thereafter login to the games portal using their mobile phone number or desktop with subscription fees being charged during tenure of service.

## (c) Website Solution Platform

The platform enables users to build their own stunning and functional websites on the back of a wide selection of user-friendly templates without coding, design knowledge or even a web designer skills-sets. Moreover, it also allows for further customisation solutions.

## (d) Property Management Platform

The platform enables users comprising of homeowners, tenants, administrators of housing estates to communicate effectively via desktop web or mobile web browsers, for seamless, organised and efficient manner of its property management.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 7. INVESTMENT IN SUBSIDIARY COMPANIES

	2022 RM	Company 2021 RM
Unquoted shares, at cost	3,555,582	3,555,582
Less: Accumulated impairment losses	(2,390,545)	(2,390,545)
At 30 April	1,165,037	1,165,037

Details of the subsidiary companies are as follows:

The subsidiary companies are:

Name of subsidiary companies	Country of Incorporation	Principal activity	Effective equity interest	
			2022 %	2021 %
Moblife.TV Sdn. Bhd.	Malaysia	Consultation, sales, marketing and implementation of m-business solutions for business to business and business to consumer enterprise applications and the management of content resources for business to business and business to consumer enterprise applications.	100	100
Setara Tech Sdn. Bhd.	Malaysia	Providing web design and hosting services, research and development in digital communication and advertising services.	100	100
Wowloud Sdn. Bhd.	Malaysia	Dormant.	100	100
Joors Asia Sdn. Bhd.	Malaysia	Dormant.	100	100

Impairment losses on investment in subsidiary companies

The Company assessed the recoverable amount of investment in subsidiary companies and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying amount. The recoverable amount of each subsidiary company, being a cash-generating unit on its own, is derived from the net assets position of the respective subsidiary companies as at end of the reporting period.

## 8. OTHER INVESTMENTS

	Group and Company 2022 RM	2021 RM
Quoted shares in Malaysia, at fair value	98,751	4,260,425

Impairment loss on investment in quoted shares

The Group and the Company assessed the fair value of investment in quoted shares and determined that an impairment loss should be recognised as the fair value is lower than the carrying amount. The fair value of investment in quoted shares is determined based on the market value of the quoted shares as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 9. TRADE RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<b>2022 RM</b>	2021 RM	<b>2022 RM</b>	2021 RM
Trade receivables	<b>4,292,699</b>	5,759,028	<b>979,066</b>	2,751,370
Less: Accumulated impairment losses	<b>(205,574)</b>	(303,382)	<b>(190,114)</b>	(252,685)
	<b>4,087,125</b>	5,455,646	<b>788,952</b>	2,498,685

The Group's and the Company's normal trade credit terms granted to trade receivables ranged from 30 to 90 days (2021: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements of the accumulated impairment losses are as follow:

	<i>Group</i>		<i>Company</i>	
	<b>2022 RM</b>	2021 RM	<b>2022 RM</b>	2021 RM
At 1 May	<b>303,382</b>	178,459	<b>252,685</b>	115,024
Additions	–	4,978	–	4,978
Reversals	<b>(97,808)</b>	–	<b>(62,571)</b>	–
Expected credit loss	–	119,945	–	132,683
At 30 April	<b>205,574</b>	303,382	<b>190,114</b>	252,685

Impairment loss for trade receivables are collectively and individually assessed using the simplified approach as disclosed in *Note 3(f)(i)*, by reference to historical credit loss experience and observable data such as current changes and future forecasts in economic conditions.

The Group and the Company recognised the loss allowance measured at an amount equal to lifetime expected credit losses.

## 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>Group</i>		<i>Company</i>	
	<b>2022 RM</b>	2021 RM	<b>2022 RM</b>	2021 RM
Other receivables	<b>229,874</b>	10,692,767	<b>229,394</b>	10,651,957
Deposits	<b>243,196</b>	1,088,998	<b>97,047</b>	942,849
Prepayments	<b>369</b>	430	<b>369</b>	430
	<b>473,439</b>	11,782,195	<b>326,810</b>	11,595,236

The foreign currency exposure profile is as follows:

	<i>Group and Company</i>	
	<b>2022 RM</b>	2021 RM
United States Dollar	<b>98,329</b>	106,199

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 11. AMOUNT OWING BY SUBSIDIARY COMPANIES

	2022 RM	Company 2021 RM
Amount owing by subsidiary companies		
- trade	3,166,927	2,296,687
- non-trade	8,746,390	8,160,006
	<b>11,913,317</b>	10,456,693
Less: Accumulated impairment losses	<b>(1,367,832)</b>	(1,367,832)
	<b>10,545,485</b>	9,088,861

The trade amount is subject to the normal trade credit terms ranged from 30 to 90 days (2021: 30 to 90 days).

The non-trade balances are unsecured, interest-free and repayable on demand.

The Company recognised the loss allowance measured at an amount equal to lifetime expected credit losses.

Movements of the accumulated impairment losses (individually impaired) are as follow:

	2022 RM	Company 2021 RM
At 1 May / 30 April	<b>1,367,832</b>	1,367,832

## 12. FIXED DEPOSITS

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Fixed deposits with:				
- licensed banks	114,129	112,943	–	–
- non-financial institution	72,147,189	60,354,423	72,147,189	60,354,423
	<b>72,261,318</b>	60,467,366	<b>72,147,189</b>	60,354,423

The fixed deposits with licensed banks and non-financial institution earn effective interest at rate of 1.05% (2021: 1.05%) and 1.85% to 1.95% (2021: 1.75% to 3.90%) per annum respectively and have average maturities range from 90 to 182 (2021: 30 to 180) days.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 13. SHARE CAPITAL

	<i>Number of ordinary shares</i>		<i>Group and Company</i>	<i>Amount</i>
	<b>2022</b>	2021	<b>2022</b>	2021
			<b>RM</b>	<b>RM</b>
Issued share capital:				
At 1 May	<b>1,758,807,413</b>	1,141,150,514	<b>114,338,162</b>	83,195,635
Conversion of ICPS to ordinary shares	<b>449,900</b>	22,606,900	<b>26,184</b>	1,324,092
Issued through private placement	<b>527,642,000</b>	–	<b>9,286,499</b>	–
Issuance of shares pursuant to the exercise of ESOS	–	595,049,999	–	29,818,435
At 30 April	<b>2,286,899,313</b>	1,758,807,413	<b>123,650,845</b>	114,338,162

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM114,338,162 to RM123,650,845 by way of the issuance of:

- (a) 449,900 new ordinary shares at book value of RM0.0582 each arising from conversion of 899,800 units of ICPS on the basis of 2 units of ICPS for 1 new ordinary share; and
- (b) 527,642,000 new ordinary shares through private placement at issue price of RM0.0176 per share for a total cash consideration of RM9,286,499.

In the previous financial year, the Company increased its issued and paid-up ordinary share capital from RM83,195,635 to RM114,338,162 by way of the issuance of:

- (a) 9,301,000 new ordinary shares at book value of RM0.0591 each arising from the conversion of 9,301,000 units of ICPS on the basis of 1 unit of ICPS with additional cash payment of RM0.03 for 1 new ordinary share;
- (b) 13,305,900 new ordinary shares at book value of RM0.0582 each arising from conversion of 26,611,800 units of ICPS on the basis of 2 units of ICPS for 1 new ordinary share;
- (c) 91,949,999 new ordinary shares of RM0.046 each as a result of the exercise of ESOS;
- (d) 186,300,000 new ordinary shares of RM0.045 each as a result of the exercise of ESOS; and
- (e) 316,800,000 new ordinary shares of RM0.040 each as a result of the exercise of ESOS.

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of the 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 regards to the Company's residual assets.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 14. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group and Company		Amount	
	Number of ordinary shares 2022	2021	2022 RM	2021 RM
Issued share capital:				
At 1 May	<b>210,491,302</b>	246,404,102	<b>6,122,301</b>	7,167,364
Conversion of ICPS to ordinary shares	<b>(899,800)</b>	(35,912,800)	<b>(26,184)</b>	(1,045,063)
At 30 April	<b>209,591,502</b>	210,491,302	<b>6,096,117</b>	6,122,301

On 13 September 2019, the Company issued 1,497,963,330 new irredeemable convertible preference shares ("ICPS") at an issue price of RM0.03 per ICPS.

During the financial year, 899,800 units of ICPS have been converted into 449,900 new ordinary shares at book value of RM0.0582 each respectively the basis of 2 ICPS for 1 new ordinary share.

In the previous financial year, 9,301,000 and 26,611,800 units of ICPS have been converted into 22,606,900 new ordinary shares at book value of RM0.0591 and RM0.0582 each respectively on the basis of either 1 ICPS with additional cash payment of RM0.03 for 1 new ordinary share or 2 ICPS for 1 new ordinary share.

Salient features of the ICPS are as follows:

## (a) Dividend

Subject to compliance Section 131 of Companies Act 2016, the Company has full discretion over the declaration of dividends. Dividend declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company;

## (b) Tenure

The tenure is 10 years commencing from and inclusive of the date of issuance of the ICPS;

## (c) Maturity date

The maturity date of the ICPS immediately preceding the 10th anniversary from the date of issuance;

## (d) Conversion rights

Each ICPS carries the entitlement to convert into new shares at the conversion price through surrender of the ICPS. No adjustment to the conversion price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion. If the conversion results in a fractional entitlement to ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash, otherwise, shall be given in respect of the disregarded fractional entitlement.

The ICPS can be converted at any time within 10 years commencing on and including the date of issuance of the ICPS up to and including the maturing date, and it's had been fixed at either 2 ICPS to be converted into 1 new share or a combination of 1 ICPS and cash payment of RM0.03 for 1 new share;

## (e) Rights of the ICPS holders

The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company except the following circumstances until and unless such holders convert their ICPS into new shares:

- (i) on a proposal to reduce the Company's share capital;
- (ii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;
- (iii) on a proposal that directly affects their rights and privileges attached to the ICPS;
- (iv) on a proposal to wind-up the Company; and
- (v) during the winding-up of the Company.



## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 15. REVALUATION RESERVE

	<i>Group and Company</i>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 May	<b>2,715,917</b>	2,748,121
Realisation of revaluation reserve of leasehold building	<b>(32,204)</b>	(32,204)
At 30 April	<b>2,683,713</b>	2,715,917

The revaluation reserve represents the increase in the fair value of buildings of the Group and of the Company, net of deferred tax liabilities.

## 16. WARRANT RESERVE

	<i>Group and Company</i>	
	<b>Warrant A</b>	<b>Warrant B</b>
	<b>2016/2021</b>	<b>2019/2024</b>
	<b>RM</b>	<b>RM</b>
At 1 May 2021	<b>4,723,673</b>	<b>1,351,163</b>
Expiration of warrants	<b>(4,723,673)</b>	–
At 30 April 2022	–	<b>1,351,163</b>

The Warrants expired on 5 November 2021. Pursuant to that, warrant reserve in relation to unexercised warrants had been transferred to accumulated losses.

**(a) Warrants 2016/2021 (“Warrant A”)**

On 11 November 2016, the Company listed and quoted 188,946,927 Warrants A pursuant to the Rights Issue with Warrants Exercise on the basis of 2 Warrants A for every 3 rights shares subscribed.

The Warrants A are constituted by the Deed Poll dated 27 September 2016 (“Deed Poll A”).

Warrants A reserve arose from the issuance of 188,946,927 Warrants A at a fair valuation of RM0.025 per warrant.

Salient features of the warrants A are as follows:

- (i) Each warrant entitles the registered holder thereof (“Warrant holder(s)”) to subscribe for 3 new ordinary shares in the Company at an exercise price of RM0.10 during the 5 years period expiring on 5 November 2021 (“Exercise Period A”), subject to the adjustments as set out in the Deed Poll A;
- (ii) At the expiry of the Exercise Period A, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (iii) Warrant holders must exercise the Warrants A in accordance with the procedures set out in the Deed Poll A and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The Warrants A expired on 5 November 2021. 188,946,927 Warrants which are not exercised has been lapsed and become null and void and ceased to be valid for any purpose.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**16. WARRANT RESERVE (CONT'D)****(b) Warrants 2019/2024 ("Warrant B")**

On 13 September 2019, the Company listed and quoted 29,959,264 Warrants B pursuant to Rights Issue of ICPS with Warrants Exercise on the basis of 1 Warrant B for every 50 ICPS subscribed.

The Warrants B are constituted by the Deed Poll dated 18 July 2019 ("Deed Poll B").

Warrants B reserve arose from the issuance of 29,959,264 Warrants B at a fair valuation of RM0.0451 per warrant.

Salient features of the warrants B are as follows:

- (i) Each warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for 1 new ordinary share in the Company at an exercise price of RM0.06 during the 5 years period expiring on 5 September 2024 ("Exercise Period B"), subject to the adjustments as set out in the Deed Poll B;
- (ii) At the expiry of the Exercise Period B, any Warrants B which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (iii) Warrant holders must exercise the Warrants B in accordance with the procedures set out in the Deed Poll B and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

As at 30 April 2022, the total numbers of Warrants B that remain unexercised was 29,959,264.

**17. FINANCE LEASE PAYABLES**

The finance lease payables are repayable as follows:

	<b>Minimum lease payments RM</b>	<b>Group Future finance charges RM</b>	<b>Net present value RM</b>
<b>2022</b>			
<i>Shown under current liabilities</i>			
Within 1 year	<b>310,920</b>	<b>(22,991)</b>	<b>287,929</b>
<i>Shown under non-current liabilities</i>			
Between 2 to 5 years	<b>379,730</b>	<b>(11,112)</b>	<b>368,618</b>
	<b>690,650</b>	<b>(34,103)</b>	<b>656,547</b>
<b>2021</b>			
<i>Shown under current liabilities</i>			
Within 1 year	310,920	(36,102)	274,818
<i>Shown under non-current liabilities</i>			
Between 2 to 5 years	690,650	(34,103)	656,547
	1,001,570	(70,205)	931,365

The finance lease payables bear effective interest at rates ranging from 2.34% to 2.64% (2021: 2.34% to 2.64%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 18. DEFERRED TAX LIABILITIES

	<i>Group and Company</i>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 May	<b>891,063</b>	901,628
Realised to profit or loss ( <i>Note 24</i> )	<b>(10,565)</b>	(10,565)
At 30 April	<b>880,498</b>	891,063

The components and movements of deferred tax liabilities are as follows:

	<i>Group and Company</i>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Revaluation of assets		
At 1 May	<b>891,063</b>	901,628
Realisation of revaluation reserve	<b>(10,565)</b>	(10,565)
At 30 April	<b>880,498</b>	891,063

## 19. TRADE PAYABLES

The normal trade credit terms granted by trade payables to the Group and to the Company ranged from 30 to 90 days (2021: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile are as follows:

	<i>Group and Company</i>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
United States Dollar	<b>249</b>	241

## 20. OTHER PAYABLES AND ACCRUALS

	<i>Group</i>		<i>Company</i>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	<b>4,371,402</b>	3,559,932	<b>4,124,456</b>	3,088,307
Deposits received	–	37,191	–	30,457
Accruals	<b>133,440</b>	131,640	<b>93,932</b>	92,360
Deferred income	<b>666,647</b>	498,159	<b>20,531</b>	29,312
	<b>5,171,489</b>	4,226,922	<b>4,238,919</b>	3,240,436

The deferred income primarily relates to advance payment received from customers for wireless and multimedia related services of which the revenue will be recognised when services are performed.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 21. REVENUE

	<i>Group</i>		<i>Company</i>	
	2022 RM	2021 RM	2022 RM	2021 RM
Recognised at a point in time				
- Mobile applications	1,854,790	4,861,732	1,331,919	3,846,611
- Wireless and multimedia related services	13,170,413	16,376,812	358,849	1,837,938
	15,025,203	21,238,544	1,690,768	5,684,549

## 22. FINANCE COSTS

	2022 RM	2021 RM
Finance lease interest	36,102	49,212

## 23. LOSS BEFORE TAXATION

	<i>Group</i>		<i>Company</i>	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before taxation is stated after charging:				
Allowance for impairment losses on trade receivables	-	4,978	-	4,978
Amortisation of intangible assets	2,587,199	1,826,567	1,797,199	1,365,734
Auditors' remuneration				
- current year's provision	80,000	82,500	53,000	55,500
- underprovision in respect of prior year	-	7,950	-	7,950
Depreciation of property, plant and equipment	721,046	737,354	179,961	121,850
Entertainment	165,002	4,060,822	62,443	4,021,901
Loss/(Gain) on disposal of quoted shares	8,780,469	(8,153,567)	8,780,469	(8,153,567)
Impairment losses on quoted shares	655,235	1,432,947	655,235	1,432,947
Loss on foreign exchange - realised	390	797	390	797
Net (Reversal)/allowance of impairment on financial assets	(97,808)	119,945	(62,571)	132,683
Professional fee	4,707,213	13,691,180	4,022,850	10,561,102
Property, plant and equipment written off	-	3,083	-	3,083
Rental of office equipment	201,819	206,932	201,819	206,932
Employee benefit expenses (Note 26)	2,581,988	6,915,972	1,598,230	6,194,183
and crediting:				
Gain on disposal of property, plant and equipment	-	165,999	-	-
Interest income	1,148,592	1,497,610	1,147,406	1,493,863
Rental income	104,425	96,593	104,425	96,593
Management fee received	-	-	808,677	808,677
Other income	42,800	130	20,000	-

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 24. INCOME TAX EXPENSE

	<i>Group</i>		<i>Company</i>	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysian income tax:				
- current year's provision	70,000	377,000	70,000	377,000
- (over)/underprovision in prior year	(377,000)	273,877	(377,000)	159,407
	(307,000)	650,877	(307,000)	536,407
Deferred tax:				
Realisation of revaluation reserve ( <i>Note 18</i> )	(10,565)	(10,565)	(10,565)	(10,565)
	(10,565)	(10,565)	(10,565)	(10,565)
	(317,565)	640,312	(317,565)	525,842

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	<i>Group</i>		<i>Company</i>	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before taxation	(17,772,266)	(17,135,980)	(15,588,597)	(13,101,683)
Income tax expense at Malaysian statutory tax rate of 24%	(4,265,344)	(4,112,635)	(3,741,263)	(3,144,404)
Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	4,088,810	3,665,876	3,805,388	3,493,930
- deferred tax assets not recognised during the year	246,534	823,759	5,875	27,474
- realisation of deferred tax liabilities arising from revaluation reserve	(10,565)	(10,565)	(10,565)	(10,565)
	4,324,779	4,479,070	3,800,698	3,510,839
(Over)/under provision of taxation in respect of prior year	(377,000)	273,877	(377,000)	159,407
	(317,565)	640,312	(317,565)	525,842

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**24. INCOME TAX EXPENSE (CONT'D)**

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

**Temporary differences**

	<i>Group</i>		<i>Company</i>	
	<b>2022 RM</b>	2021 RM	<b>2022 RM</b>	2021 RM
Qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation	<b>(27,204)</b>	(28,932)	<b>(12,317)</b>	(9,200)
Unutilised capital allowances	<b>17,757</b>	6,217	<b>15,210</b>	6,217
Unabsorbed business losses	<b>896,904</b>	656,245	<b>117,388</b>	117,388
	<b>887,457</b>	633,530	<b>120,281</b>	114,405

The unabsorbed business losses and unutilised capital allowances of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act, 1967, the time limit to unused tax losses has been extended to a maximum of 10 consecutive years. This amendment is deemed to have effect from the year of assessment 2019.

**25. LOSS PER SHARE**Basic Loss Per Share

The basic loss per ordinary share as at 30 April 2022 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	<b>2022</b>	<i>Group</i> 2021
Total comprehensive loss attributable to owners of the Company (RM)	<b>(17,454,701)</b>	(17,776,292)
Weighted average ordinary shares issued as at 30 April 2022 and 30 April 2021	<b>1,835,653,775</b>	1,450,365,339
Basic loss per share (Sen)	<b>(0.95)</b>	(1.23)

Diluted Loss Per Share

The diluted loss per share was not applicable as the exercise price of Warrants have exceeded the average market price of ordinary shares during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**26. EMPLOYEE BENEFIT EXPENSES**

The employee benefit expenses recognised in profit or loss are as follows:

		<i>Group</i>		<i>Company</i>
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>RM</b>	RM	<b>RM</b>	RM
Salaries and wages	<b>2,266,628</b>	1,884,759	<b>1,408,558</b>	1,216,781
Defined contribution plan	<b>250,870</b>	232,852	<b>140,098</b>	148,175
Other employee benefit expenses	<b>64,490</b>	265,126	<b>49,574</b>	235,992
Share-based payment	<b>–</b>	4,533,235	<b>–</b>	4,533,235
	<b>2,581,988</b>	6,915,972	<b>1,598,230</b>	6,134,183

Included in employee benefit expenses are directors' remuneration who are also the key management personnel of the Group and of the Company:

	<i>Group and Company</i>	
	<b>2022</b>	2021
	<b>RM</b>	RM
<b>Directors of the Company</b>		
Directors' remuneration		
- fees	<b>180,000</b>	184,900
- other emoluments	<b>348,083</b>	323,835

**27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

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

	As at	Cash	Non-cash	At
	01.05.2021	Flows	changes	30.04.2022
	RM	RM	RM	RM
<i>Group</i>				
Finance lease payables	931,365	(274,818)	–	656,547

The non-cash changes are relating to property, plant and equipment acquired under finance lease.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**28. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as chief operating decision makers in order to allocate resources to segments and to assess their performances. For management purposes, the Group is organised into business segments based on their products and services provided.

The Group is organised into main operating segments as follows:

(a) Mobile applications

Provision of mobile application platforms for Short Message Services ("SMS") to mobile phone users.

(b) Wireless and multimedia related services

Consultations, sales, marketing and implementation of m-business solutions, management of content resources business and other related multimedia services.

For the purpose of making decisions about resource allocation, the Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.



## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 28. OPERATING SEGMENTS (CONT'D)

## (i) Business Segments

<i>Group</i> 2022	Mobile application RM	Wireless and multimedia related services RM	Others RM	Elimination RM	Total RM
<b>Revenue</b>					
External revenue	1,854,790	13,170,413	–	–	15,025,203
Total revenue	1,854,790	13,170,413	–	–	15,025,203
<b>Results</b>					
Segment results	(2,331,233)	(16,553,523)	–	–	(18,884,756)
Interest income	141,788	1,006,804	–	–	1,148,592
Finance costs	(4,457)	(31,645)	–	–	(36,102)
Loss before taxation	(2,193,902)	(15,578,364)	–	–	(17,772,266)
Income tax expense	39,202	278,363	–	–	317,565
Loss after taxation	(2,154,700)	(15,300,001)	–	–	(17,454,701)
<b>Assets</b>					
Segment assets	11,781,252	83,655,805	–	–	95,437,057
<b>Liabilities</b>					
Segment liabilities	1,212,276	8,608,081	–	–	9,820,357
Unallocated liabilities	–	–	880,498	–	880,498
Total liabilities	1,212,276	8,608,081	880,498	–	10,700,855
<b>Other information</b>					
Capital expenditure	(6,731)	(49,361)	–	–	(56,092)
Amortisation	(319,377)	(2,267,822)	–	–	(2,587,199)
Depreciation	(89,010)	(632,036)	–	–	(721,046)
Loss on foreign exchange - realised	(48)	(342)	–	–	(390)
Impairment losses on - quoted shares	(80,886)	(608,369)	–	–	(689,255)
Reversal of impairment on financial assets	12,074	85,734	–	–	97,808

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 28. OPERATING SEGMENTS (CONT'D)

## (i) Business Segments (cont'd)

	Mobile application RM	Wireless and multimedia related services RM	Others RM	Elimination RM	Total RM
<i>Group 2021</i>					
<b>Revenue</b>					
External revenue	4,861,732	16,376,812	–	–	21,238,544
Total revenue	4,861,732	16,376,812	–	–	21,238,544
<b>Results</b>					
Segment results	(4,254,164)	(14,330,214)	–	–	(18,584,378)
Interest income	342,819	1,154,791	–	–	1,497,610
Finance costs	(11,265)	(37,947)	–	–	(49,212)
Loss before taxation	(3,922,610)	(13,213,370)	–	–	(17,135,980)
Income tax expense	(146,574)	(493,738)	–	–	(640,312)
Loss after taxation	(4,069,184)	(13,707,108)	–	–	(17,776,292)
<b>Assets</b>					
Segment assets	23,609,004	79,527,268	–	–	103,136,272
<b>Liabilities</b>					
Segment liabilities	2,138,211	7,202,594	–	–	9,340,805
Unallocated liabilities	–	–	891,063	–	891,063
Total liabilities	2,138,211	7,202,594	891,063	–	10,231,868
<b>Other information</b>					
Capital expenditure	(1,652,940)	(5,567,950)	–	–	(7,220,890)
Amortisation	(418,121)	(1,408,446)	–	–	(1,826,567)
Depreciation	(168,788)	(568,566)	–	–	(737,354)
Loss on foreign exchange - realised	(182)	(615)	–	–	(797)
Impairment losses on - quoted shares	(328,017)	(1,104,930)	–	–	(1,432,947)
- trade receivables	(1,140)	(3,838)	–	–	(4,978)
Allowance of impairment on financial assets	(27,457)	(92,488)	–	–	(119,945)

No disclosure on geographical segment information as the Group's transactions outside Malaysia comprise less than 10% of the total revenue.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

**28. OPERATING SEGMENTS (CONT'D)**

## (ii) Major Customers

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

	<b>2022</b>	<i>Revenue</i>
	<b>RM</b>	2021 RM
Company A	<b>1,721,437</b>	3,535,601
Company B	<b>7,609,752</b>	5,979,505
Company C	–	3,767,500
Company D	<b>1,812,985</b>	–

**29. RELATED PARTY DISCLOSURE**

## (a) Identities of related parties

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

## (b) Related party transactions

In addition to the related party balances disclosed in *Note 11*, the Company had the following transactions with related parties during the financial year:

	<b>2022</b>	<i>Company</i>
	<b>RM</b>	2021 RM
Management fees received from a subsidiary company	<b>808,677</b>	808,677

## (c) Compensation of key management personnel

Remuneration of directors are as follows:

	<b>2022</b>	<i>Group and Company</i>
	<b>RM</b>	2021 RM
Short term employee benefits	<b>528,083</b>	508,735

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to a variety of market risks (foreign currency risk, interest rate risk and equity price risk), credit risk, liquidity and cash flow risks. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and on the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity and cash flow risks. The Group's and the Company's policies in respect of the major areas of treasury activity are as follows:-

## (i) Market Risk

(a) *Foreign Currency Risk*

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currencies of the Group and the Company. The currencies giving rise to this risk are primarily United States Dollar (USD). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The net unhedged financial assets and financial liabilities of the Group and of the Company not denominated in RM were as follows:-

	<i>Denominated in</i>
	USD
	RM
<i>Group and Company</i>	
2022	
Other receivables, deposits and prepayments	98,329
Trade payables	(249)
	<b>98,080</b>
2021	
Other receivables, deposits and prepayments	106,199
Trade payables	(241)
	<b>105,958</b>

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

## (i) Market Risk (cont'd)

(a) *Foreign Currency Risk (cont'd)*Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting date, with all other variables held constant:-

	<i>Group and Company</i>	
	<b>2022</b>	2021
	<b>RM</b>	RM
	<b>Increase/ (Decrease)</b>	Increase/ (Decrease)
Effects on profit after tax/equity		
Strengthened by 10%		
- USD	<b>9,808</b>	10,596
Weakened by 10%		
- USD	<b>(9,808)</b>	(10,596)

(b) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposures to interest rate risk arise mainly from their deposits placed with licensed banks and interest bearing financial liabilities. The Group's and the Company's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

Interest Rate Risk Sensitivity AnalysisFixed Rate Instruments

The interest rate risk sensitivity analysis on the fixed rates financial instruments is not disclosed as the interest-bearing financial instruments carry fixed interest rates where the Group and the Company believe that no reasonably possible change in the risk variable could affect the results of the Group and of the Company materially.

(c) *Equity Price Risk*

The Group and the Company are exposed to equity price risk arising from their investment in quoted shares. The quoted shares in Malaysia are listed on Bursa Malaysia Securities Berhad. These instruments are classified as fair value through profit or loss. The Group and the Company do not have exposure to commodity price risk.

Equity Price Risk Sensitivity Analysis

A 10% increase in the market price of the quoted shares as at the end of the reporting period would have increased equity by RM9,875. A 10% decrease in market price would have had equal but opposite effect on equity.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

## (ii) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposures to credit risk arise mainly from trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of these financial assets in the statements of financial position reduced by the effects of any netting arrangements with counterparties. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. The Company only provides advances to subsidiary companies. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties and financial institutions.

The Group and the Company establish an allowance for impairment that represents their estimate of incurred losses in respect of the trade and other receivables as appropriate. The main component of this allowance is a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

Credit Risk Concentration Profile

The Group and the Company have no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables.

Exposure to Credit Risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

Ageing Analysis

The ageing analysis of the Group's and the Company's trade receivables at the reporting date is as follows:-

	<i>Group</i>		<i>Company</i>	
	2022 RM	2021 RM	2022 RM	2021 RM
Not past due	3,256,386	3,238,065	249,774	957,716
Past due but not impaired:				
- less than 3 months	283,888	1,287,252	2,121	1,050,133
- 3 to 6 months	1,089	74,209	-	9,328
- more than 6 months	751,336	1,159,502	727,171	734,193
	1,036,313	2,520,963	729,292	1,793,654
Impaired	(98,271)	(98,271)	(89,601)	(89,601)
Expected credit loss	(107,303)	(205,111)	(100,513)	(163,084)
	4,087,125	5,455,646	788,952	2,498,685

Trade receivables that are neither past due nor impaired are regular customers of the Group and of the Company. The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due of more than 6 months, which are deemed to have higher credit risk, are monitored individually.

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

At the end of the reporting date, trade receivables that were individually impaired were those in financial difficulties and have defaulted in payments.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

## (iii) Liquidity and Cash Flow Risks

Liquidity and cash flow risks are the risks that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposures to liquidity and cash flow risks arise mainly from general funding and business activities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting date):

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
<i>Group</i>							
2022							
Trade payables	-	3,992,321	3,992,321	3,992,321	-	-	-
Other payables and accruals	-	5,171,489	5,171,489	5,171,489	-	-	-
Finance lease payables	2.34 - 2.64	656,547	690,650	310,920	301,540	78,190	-
		9,820,357	9,854,460	9,474,730	301,540	78,190	-
2021							
Trade payables	-	4,038,910	4,038,910	4,038,910	-	-	-
Other payables and accruals	-	4,226,922	4,226,922	4,226,922	-	-	-
Finance lease payables	2.34 - 2.64	931,365	1,001,570	310,920	310,920	379,730	-
		9,197,197	9,267,402	8,576,752	310,920	379,730	-

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)(iii) Liquidity and Cash Flow Risks (cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
<i>Company</i> 2022						
Trade payables	471,493	471,493	471,493	–	–	–
Other payables and accruals	4,238,919	4,238,919	4,238,919	–	–	–
	<b>4,710,412</b>	<b>4,710,412</b>	<b>4,710,412</b>	–	–	–
2021						
Trade payables	539,497	539,497	539,497	–	–	–
Other payables and accruals	3,240,436	3,240,436	3,240,436	–	–	–
	<b>3,779,933</b>	<b>3,779,933</b>	<b>3,779,933</b>	–	–	–

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as return the capital to shareholders and issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group is calculated as term loans, finance lease payables, trade and other payables plus accruals less cash and cash equivalents. Net debt for the Company is calculated as term loans, trade and other payables and accruals plus amount owing to a subsidiary company less cash and cash equivalents.

The debt-to-equity ratios of the Group and of the Company as at the end of the financial year were as follows:

	<i>Group</i>		<i>Company</i>	
	2022 RM	2021 RM	2022 RM	2021 RM
Finance lease payables	656,547	931,365	–	–
Less: Cash and cash equivalents	(73,520,654)	(61,540,097)	(73,219,203)	(61,171,157)
Net debt	<b>(72,864,107)</b>	(60,608,732)	<b>(73,219,203)</b>	(61,171,157)
Total equity	<b>84,736,202</b>	92,904,404	<b>93,074,304</b>	99,058,837
Debt-to-equity ratio	<b>N/A</b>	N/A	<b>N/A</b>	N/A

N/A: The cash and cash equivalents of the Group and of the Company are sufficient to settle all the debts of the Group and of the Company as at the financial year end.

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



## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

The Group and the Company financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in *Note 3* describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (i) Amortised cost ("AC"); and
- (ii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
<b>Financial assets</b>			
<b>2022</b>			
<b>Group</b>			
Other investments	98,751	–	98,751
Trade and other receivables (excluding prepayments)	4,560,195	4,560,195	–
Fixed deposits	72,261,318	72,261,318	–
Cash and bank balances	1,259,336	1,259,336	–
<b>Company</b>			
Other investments	98,751	–	98,751
Trade and other receivables (excluding prepayments)	1,151,393	1,151,393	–
Amount owing by subsidiary companies	10,545,485	10,545,485	–
Fixed deposits	72,147,189	72,147,189	–
Cash and bank balances	1,072,014	1,072,014	–
		Carrying amount RM	AC RM
<b>Financial liabilities</b>			
<b>2022</b>			
<b>Group</b>			
Trade and other payables		9,163,810	9,163,810
Finance lease liabilities		656,547	656,547
<b>Company</b>			
Trade and other payables		4,710,412	4,710,412

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments (cont'd)

- (i) Amortised cost ("AC"); (cont'd) and
- (ii) Fair value through profit or loss ("FVTPL") (cont'd)

	Carrying amount RM	AC RM	FVTPL RM
<b>Financial assets</b>			
<b>2021</b>			
<b>Group</b>			
Other investments	4,260,425	–	4,260,425
Trade and other receivables (excluding prepayments)	17,237,411	17,237,411	–
Fixed deposits	60,467,366	60,467,366	–
Cash and bank balances	1,072,731	1,072,731	–
<b>Company</b>			
Other investments	4,260,425	–	4,260,425
Trade and other receivables (excluding prepayments)	14,093,491	14,093,491	–
Amount owing by subsidiary companies	9,088,861	9,088,861	–
Fixed deposits	60,354,423	60,354,423	–
Cash and bank balances	816,734	816,734	–
		<b>Carrying amount RM</b>	<b>AC RM</b>
<b>Financial liabilities</b>			
<b>2021</b>			
<b>Group</b>			
Trade and other payables		8,265,832	8,265,832
Finance lease liabilities		931,365	931,365
<b>Company</b>			
Trade and other payables		3,779,933	3,779,933

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company reported in the financial statements approximated their fair values due to the short-term nature, except for:

## (i) Quoted shares in other investments

Quoted shares in other investments are carried at fair value by reference to their quoted closing prices at the end of the reporting period.

## (ii) Unquoted shares in other investments

It was not practicable to estimate the fair value of investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

## (iii) Non-current portion of term loans

The non-current portion of term loans are reasonably approximate fair value as they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

## (iv) Financial instruments that are not approximately fair value are as follows:

	Carrying amount RM	Fair value RM
<i>Group</i>		
2022		
<u>Finance liabilities</u>		
Finance lease payables (non-current portion)	368,618	366,805
2021		
<u>Finance liabilities</u>		
Finance lease payables (non-current portion)	656,547	653,378

The fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at market rate of interest at the end of the financial year.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 30 April 2022 are as follows:

- (i) Level 1: fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2: fair value is estimated using inputs other than unquoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
- (iii) Level 3: fair value is estimated using unobservable inputs for the financial assets and liabilities.

	<i>Group and Company</i>	
	<b>RM</b>	<b>RM</b>
	<b>2022</b>	<b>2021</b>
Level 1		
Quoted shares	<b>98,751</b>	4,260,425

The Group and the Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 30 April 2022.

## 31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

- (a) On 14 April 2021, 27 April 2021, 30 April 2021 and 3 May 2021, the Company acquired in aggregate 9.358% or 18,760,000 ordinary shares of Sanichi Technology Berhad. ("STB") for an aggregate sum of RM4.649 million in cash via open market. The Company had become a substantial shareholder of Sanichi.
- (b) On 28 May 2021, the Company acquired in aggregate 107,500,000 new ordinary shares of STB via the subscription of the rights and excess shares of STB at an issue price of RM0.08 each representing 7.66% equity interest of the enlarged share capital in STB, for a total cash consideration of RM8.6 million. Pursuant to Acquisition, MNC will also be issued with 53.75 million of free Warrants F of STB.
- (c) On 18 May 2021, 19 May 2021, 20 May 2021, 28 May 2021, 23 June 2021, 24 June 2021 and 25 June 2021, the Company disposed in aggregate 12.39% or 173,901,500 ordinary shares of STB for an aggregate sum of RM12.845 million in cash via open market; and on 28 May 2021, disposed in aggregate 53,750,000 Warrants F ("Warrants F") of STB for an aggregate sum of RM0.806 million in cash via open market.
- (d) During the period from 24 June 2021 to 8 July 2021, the Company acquired in aggregate 6.77% or 137,677,600 ordinary shares of Metronic Global Berhad. ("MGB") for an aggregate sum of RM8,907,868.07 in cash from open market; and the Company disposed these 137,677,600 ordinary shares of MGB for an aggregate sum of RM7,253,561.55 in cash via open market during period from 6 July 2020 to 8 July 2021.
- (e) During the period from 15 March 2021 to 6 July 2021, the Company acquired in aggregate 8.88% or 55,596,700 ordinary shares of BCM Alliance Berhad. ("BCM") for an aggregate sum of RM11,388,374.67 in cash from open market; and disposed in aggregate 7.50% or 46,920,081 ordinary shares of BCM for an aggregate sum of RM9,329,790.92 in cash via open market during the period from 28 April 2021 to 30 April 2021.

## NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

### 31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

- (f) On 26 July 2021, the Company become a substantial shareholder of BCM following the acquisition of 25,274,000 ordinary shares of BCM in the open market.
- (g) On 17 August 2021, the Company announced that it has mutually agreed with M3 Technologies (Asia) Bhd. to terminate the Memorandum of Understanding ("MOU") with immediate effect as there is no further material development of the MOU.
- (h) On 26 August 2021, the Company ceased to be a substantial shareholder of BCM following the disposal of 14,945,000 ordinary shares of BCM in the open market.
- (i) On 27 August 2021, the Company intends to seek its shareholders' approval on the Proposed Amendments to the Constitution of the Company ("Proposed Amendments") at the forthcoming Seventeenth Annual General Meeting of the Company. The Proposed Amendments is primarily to align the Company's Constitution with the Companies (Amendment) Act 2019 which come into effect on 15 January 2020 in relation to the alteration of share capital and to enhance administrative efficiency.
- (j) On 3 September 2021, the Company announced that the Effective Date for the implementation of the ESOS is 3 September 2021, being the date on which the Company is in full compliance with all relevant requirement including Rule 6.44(1) of the Listing Requirements.
- (k) On 29 September 2021, the Company announced that Setara Tech Sdn. Bhd., a wholly-owned subsidiary of MNC and Vision Works (M) Sdn. Bhd. ("Vision Works") mutually agreed to terminate the MOU with effect from 19 November 2021 as there is no further material development of MOU.
- (l) On 7 March 2022, the Company announced that fixed the issue price for the placement of 527,642,000 Placement Shares, being the first and final tranche of the Private Placement, at RM0.0176 per Placement Share. The Issue Price represents a discount of 9.74% to the 5-day VWAP of the Shares up to and including 4 March 2022 of RM0.0195, being the last market day immediately preceding the Price-fixing Date.
- (m) On 11 March 2022, the Company announced that the Private Placement has been completed following the listing and quotation of 527,642,000 Placement Shares, being the first and final tranche of the Private Placement, on the ACE Market of Bursa Securities.
- (n) On 13 April 2022, the Company announced that it had entered into MOU with Hot TV Entertainment Sdn. Bhd. ("Hot TV") for the purpose of lifestyle e-commerce platform by expressing its interest to acquire, invest, develop or collaborate with Hot TV.

### 32. SIGNIFICANT EVENT SUBSEQUENT THE FINANCIAL YEAR

- (a) On 26 May 2022, one of the Company's subsidiary company, Moblife.TV Sdn. Bhd. ("Moblife") increased its issued and paid up capital from RM2,600,000 to RM3,000,000 by issuance of 400,000 ordinary shares of RM1 each. These new shares rank parri passu with the existing shares.

### 33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 19 August 2022 by the Board of Directors.

LIST OF  
**PROPERTIES**  
 AS AT 30 APRIL 2022

No.	Location	Description / Existing Use	Tenure	Date of Revaluation	Land Area (Square meter)	Age of Building	Net Carrying Value as at 30.04.2022 RM
1.	100-5.011, 129 Offices, Jaya One, No. 72A, Jalan Profesor Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.	Office Suites / Rented	Leasehold (99 years end 28 May 2105)	24 March 2022	245.0	8 years	RM 2,515,587
2.	100-3.011, 129 Offices, Jaya One, No. 72A, Jalan Profesor Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.	Office Suites / M N C Wireless Berhad's corporate office	Leasehold (99 years end 28 May 2105)	24 March 2022	245.0	8 years	RM2,515,587
3.	100-3.013, 129 Offices, Jaya One, No. 72A, Jalan Profesor Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.	Office Suites / M N C Wireless Berhad's corporate office	Leasehold (99 years end 28 May 2105)	24 March 2022	204.2	8 years	RM2,088,412

## ANALYSIS OF SHAREHOLDINGS AS AT 27 JULY 2022

Total Number of Issued Shares	:	2,287,084,313 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote for every ordinary share held
Number of Shareholders	:	4,713

### DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	Percentage (%)	No. of Shares	Percentage (%)
1-99	14	0.30	356	0.00
100-1,000	691	14.66	197,609	0.01
1,001-10,000	645	13.69	4,365,433	0.19
10,001-100,000	1,996	42.35	110,350,800	4.82
100,001-114,354,214(*)	1,364	28.94	1,571,609,682	68.72
114,354,215 and above(**)	3	0.06	600,560,433	26.26
<b>TOTAL</b>	<b>4,713</b>	<b>100.00</b>	<b>2,287,084,313</b>	<b>100.00</b>

#### Notes:

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 27 July 2022)

Name of Substantial Shareholders	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Ho Jien Shiung	267,085,333	11.68	—	—
Metronic Global Berhad	137,356,400	6.01	—	—
Datuk Tan Chor How Christopher	133,383,333	5.83	—	—

### DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 27 July 2022)

Name of Directors	<-----Direct Interest----->		<-----Indirect Interest ----->	
	No. of Shares	%	No. of Shares	%
Datuk Tan Chor How Christopher	133,383,333	5.83	—	—
Dato' Kua Khai Shyuan	—	—	—	—
Wong Kok Seong	—	—	—	—
Thu Soon Shien	—	—	—	—
Pang Siaw Sian	—	—	—	—
Dato' Muhammad Shuib Bin Md Hashim	—	—	—	—

## ANALYSIS OF SHAREHOLDINGS

(CONT'D)

**LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 27 JULY 2022***(Without aggregating securities from different securities accounts belonging to the same person)*

No	Investor Name	No. of Shares Held	%
1.	Ho Jien Shiung	267,085,333	11.68
2.	CGS-CIMB Nominees (Asing) Sdn Bhd <i>Exempt an for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)</i>	196,118,700	8.58
3.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Metronic Global Berhad</i>	137,356,400	6.01
4.	Datuk Tan Chor How Christopher	88,333,333	3.86
5.	Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG for Maybank Securities Pte Ltd</i>	85,712,800	3.75
6.	Cartaban Nominees (Asing) Sdn Bhd <i>Barclays Bank PLC (Re Equities)</i>	72,785,300	3.18
7.	Sanichi Technology Berhad	72,527,299	3.17
8.	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for Standard Chartered Bank Singapore (EFGBHK-ASING)</i>	59,341,000	2.59
9.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Chor How Christopher</i>	45,050,000	1.97
10.	Arena Evolusi Sdn Bhd	44,048,700	1.93
11.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt an for Morgan Stanley &amp; Co. International PLC (IPB Client ACCT)</i>	41,403,600	1.81
12.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Kok Hui</i>	31,490,000	1.38
13.	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for Barclays Capital Securities Ltd (SBL/PB)</i>	26,301,500	1.15
14.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Pang Chow Huat</i>	23,650,000	1.03
15.	Cita Realiti Sdn Bhd	21,000,000	0.92
16.	MIDF Amanah Investment Nominees (Asing) Sdn Bhd <i>for Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund</i>	20,000,000	0.87
17.	Sun Chee Liang	17,908,500	0.78
18.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Cita Realiti Sdn Bhd</i>	17,180,000	0.75
19.	Cita Realiti Sdn Bhd	15,561,700	0.68
20.	Lai Yee Voon	12,700,000	0.56
21.	Chan Chen Kit	11,500,000	0.50
22.	Wong Wee Fong	10,750,000	0.47
23.	Ken Resources Sdn Bhd	10,300,000	0.45
24.	Lim Chee Sing	10,000,000	0.44
25.	Maybank Nominees (Tempatan) Sdn Bhd <i>Chua Chong Tong</i>	10,000,000	0.44
26.	UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)</i>	9,924,400	0.43
27.	Lee Guan Hooi	9,495,000	0.42
28.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tay Chai Gnoh</i>	9,000,000	0.39
29.	Chai Kok Kheang	8,500,000	0.37
30.	RHB Nominees (Tempatan) Sdn Bhd <i>RHB Asset Management Sdn Bhd for Pooi Weng Keong</i>	8,000,000	0.35



## ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS AS AT 27 JULY 2022

No of ICPS 2019/2024 Issued	:	209,221,500
No. of ICPS Holders	:	279
Exercise/Conversion Price	:	RM0.06
Maturity Date	:	5 September 2029

### DISTRIBUTION SCHEDULE OF ICPS HOLDERS

Size of Holdings	No. of ICPS Holders	Percentage (%)	No. of ICPS Held	Percentage (%)
1 – 99	0	0.00	0	0.00
100 – 1,000	11	3.94	3,300	0.00
1,001 – 10,000	14	5.02	93,000	0.04
10,001 – 100,000	91	32.62	5,938,800	2.84
100,001 – 10,461,074 (*)	159	56.99	93,167,100	44.53
10,461,075 and above (**)	4	1.43	110,019,300	52.59
<b>TOTAL</b>	<b>279</b>	<b>100.00</b>	<b>209,221,500</b>	<b>100.00</b>

#### Notes:

\* Less than 5% of Issued ICPS

\*\* 5% and above of Issued ICPS

### DIRECTORS' ICPS HOLDINGS

(According to the Register of Directors' ICPS Holdings as at 27 July 2022)

Name of Directors	<-----Direct Interest----->		<-----Indirect Interest ----->	
	No. of ICPS	%	No. of ICPS	%
Datuk Tan Chor How Christopher	–	–	–	–
Dato' Kua Khai Shyuan	–	–	–	–
Wong Kok Seong	–	–	–	–
Thu Soon Shien	–	–	–	–
Pang Siaw Sian	–	–	–	–
Dato' Muhammad Shuib Bin Md Hashim	–	–	–	–

## IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS

(CONT'D)

## LIST OF THIRTY LARGEST ICPS HOLDERS AS AT 27 JULY 2022

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Investor Name	No. of ICPS Held	%
1.	Chai Kok Kheang	45,180,000	21.59
2.	Cartaban Nominees (Asing) Sdn Bhd <i>Barclays Bank Plc (Re Equities)</i>	30,000,000	14.34
3.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Sun Ping</i>	17,723,000	8.47
4.	Kong Kok Keong	17,116,300	8.18
5.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kong Yau Leng (E-SS2)</i>	7,073,000	3.38
6.	Tan Wee Chong	4,300,000	2.06
7.	Maybank Nominees (Tempatan) Sdn Bhd <i>Tho Kwai Kuan</i>	3,666,000	1.75
8.	Chan Huan Chai	3,500,000	1.67
9.	Chan Boon Yok	3,460,000	1.65
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Chuan Dyi (6000364)</i>	2,433,000	1.16
11.	Kong Yau Leng	2,427,000	1.16
12.	Teoh Wah Chuan	2,000,000	0.96
13.	Tok Boon Seong	1,985,200	0.95
14.	Hian Bee Geok	1,590,500	0.76
15.	Chua Lee Guan	1,500,000	0.72
16.	Goh Seng Huat	1,500,000	0.72
17.	Tan Chin Kok	1,500,000	0.72
18.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chai Nam Fah</i>	1,445,300	0.69
19.	Maybank Nominees (Tempatan) Sdn Bhd <i>Wong Yee Ling</i>	1,130,000	0.54
20.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Soo Yee (STA 1)</i>	1,080,000	0.52
21.	Chan Huan Joo	1,040,000	0.50
22.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Soon Heng (100580)</i>	1,000,000	0.48
23.	Chia Ong Leong	1,000,000	0.48
24.	Chia Song Swa	1,000,000	0.48
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung (6000173)</i>	950,000	0.45
26.	Tho Kwai Kuan	900,000	0.43
27.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tee Hiap Loon (E-BPJ)</i>	800,000	0.38
28.	Wong Ming Choo	780,600	0.37
29.	Loh Yoo Ming	762,400	0.36
30.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Koay Phaik Suan (DRB Hicom-C L)</i>	750,000	0.36

## ANALYSIS OF WARRANTS B HOLDINGS AS AT 27 JULY 2022

Type of Securities	:	Warrant 2019/2024 ("Warrants B")
No. of Warrants B Issued	:	29,959,264
No. of Warrants B Holders	:	217
Exercise Price	:	RM0.06
Exercise Period	:	6 September 2019 to 5 September 2024

### DISTRIBUTION OF WARRANTS B HOLDERS

Size of Holdings	No. of Warrants B Holders	Percentage (%)	No. of Warrants B	Percentage (%)
1-99	8	3.69	304	0.00
100-1,000	22	10.14	15,857	0.05
1,001-10,000	73	33.64	346,670	1.16
10,001-100,000	74	34.10	2,858,860	9.54
100,001-1,497,962(*)	34	15.67	12,496,640	41.71
1,497,963 and above(**)	6	2.76	14,240,933	47.53
<b>TOTAL</b>	<b>217</b>	<b>100.00</b>	<b>29,959,264</b>	<b>100.00</b>

#### Notes:

\* Less than 5% of issued Warrants B

\*\* 5% and above of issued Warrants B

### DIRECTORS' WARRANTS B HOLDINGS

(According to the Register of Directors' Warrants B Holdings as at 27 July 2022)

Name of Directors	<-----Direct----->		<-----Indirect----->	
	No. of Warrants B	%	No. of Warrants B	%
Datuk Tan Chor How Christopher	5,333,333	17.80	—	—
Dato' Kua Khai Shyuan	—	—	—	—
Wong Kok Seong	—	—	—	—
Thu Soon Shien	—	—	—	—
Pang Siaw Sian	—	—	—	—
Dato' Muhammad Shuib Bin Md Hashim	—	—	—	—

## ANALYSIS OF WARRANTS B HOLDINGS

(CONT'D)

**LIST OF THIRTY LARGEST WARRANTS B HOLDERS AS AT 27 JULY 2022***(Without aggregating securities from different securities accounts belonging to the same person)*

No.	Investor Name	No. of Warrants Held	%
1.	Datuk Tan Chor How Christopher	5,333,333	17.80
2.	Gan Keng Meng	2,100,000	7.01
3.	Chan Boon Yok	2,012,000	6.72
4.	Chan Huan Chai	1,770,500	5.91
5.	Chan Lee Peng	1,525,100	5.09
6.	Chan Huan Joo	1,500,000	5.01
7.	Lee Fook On	1,400,000	4.67
8.	Rohazifah Binti Samsudin	1,342,800	4.48
9.	Gan Hoo Sun	1,000,000	3.34
10.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Liew Yoon Peck</i>	800,000	2.67
11.	Cheng Boon Sheng	692,000	2.31
12.	Sofiah Binti Sapiai	500,000	1.67
13.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Sun Ping</i>	500,000	1.67
14.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lai Yee Woon (MY4097)</i>	450,000	1.50
15.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Tai Kuan</i>	400,000	1.34
16.	Ang Tian Fu	390,000	1.30
17.	Ewe Hong Khoon	354,840	1.18
18.	Chern Ah Hoon	300,000	1.00
19.	Lam Ah Choi	300,000	1.00
20.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Bee Choo</i>	300,000	1.00
21.	So Siang Chen	300,000	1.00
22.	Mohd Syukri Bin Mohd Bakri	263,100	0.88
23.	Sahrolanuar Bin Samin	260,000	0.87
24.	Liew Yoon Peck	250,000	0.83
25.	Foong Wai Chee	209,000	0.70
26.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Chooi Chung Chih</i>	200,000	0.67
27.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Beng Hua</i>	200,000	0.67
28.	Wong Chin Meng	200,000	0.67
29.	Muhd Safuan Bin Zainal	190,000	0.63
30.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ching Kean Lam</i>	189,000	0.63

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eighteenth Annual General Meeting (“18th AGM” or “the Meeting”) of M N C WIRELESS BERHAD (“MNC” or “the Company”) will be held on a fully virtual basis and entirely via remote participation and voting through an online meeting platform hosted on Securities Services e-Portal at <https://sshsb.net.my/> (MYNIC Domain Registration Number D4A004360) provided by SS E Solutions Sdn. Bhd. on Friday, 21 October 2022 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses:

### AGENDA

#### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 April 2022 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and benefits of up to RM264,000.00 for the period from 22 October 2022 until the next Annual General Meeting (“AGM”) of the Company.
3. To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company’s Constitution:-
  - i. Datuk Tan Chor How Christopher; and
  - ii. Dato’ Muhammad Shuib Bin Md Hashim
4. To re-appoint Messrs. Ong & Wong Chartered Accountants as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

*Please refer to  
Explanatory Note 1*

**Ordinary Resolution 1**

**Ordinary Resolution 2**

**Ordinary Resolution 3**

**Ordinary Resolution 4**

#### AS SPECIAL BUSINESS:

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

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

**Ordinary Resolution 5**

“THAT subject always to the Constitution of the Company, the Companies Act 2016 (“Act”), the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.”

6. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

**Special Resolution**

“THAT the proposed amendments to the Constitution of the Company as set out in “Appendix A”, be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

7. To transact any other business of which due notice shall have been given.

By order of the Board

**TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)**

Company Secretary

Petaling Jaya, Selangor Darul Ehsan

30 August 2022

### Notes:

- (a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

#### **(1) In Hardcopy Form**

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

#### **(2) By Electronic Means**

The proxy form shall be electronically lodged via Securities Services ePortal's platform at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).

- (g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 67(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 12 October 2022. Only members whose names appear in the General Meeting Record of Depositors as at 12 October 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.
- (i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- (j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at [www.mnc.com.my](http://www.mnc.com.my) for the latest updates on the status of the Meeting.

## NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

**EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS****1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 April 2022**

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

**2. Item 2 of the Agenda – Directors' Fees and Benefits**

The estimated Directors' fees and benefits were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits for the period from 22 October 2022 until the next AGM of the Company to be held in the year 2023. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for such shortfall.

**3. Item 3 of the Agenda – Re-election of Directors**

Clause 91 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) of six (6) Directors of the Company are to retire pursuant to Clause 91 of the Company's Constitution.

Datuk Tan Chor How Christopher and Dato' Muhammad Shuib Bin Md Hashim ("Retiring Directors") who were appointed to the Board on 1 June 2015 and 10 February 2020 respectively, will retire and being eligible, have offered themselves for re-election at the 18th AGM pursuant to Clause 91 of the Company's Constitution.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile section on Pages 5 and 6 of the Company's Annual Report 2022.

## NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

**4. Item 5 of the Agenda – General Authority for the Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act**

The Company had at its Seventeenth AGM held on 29 October 2021 ("17th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this 18th AGM.

As at the date of this Notice, no new ordinary shares were issued and allotted by the Company via private placement pursuant to the 20% General Mandate granted to the Directors at the 17th AGM.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate and on 23 December 2021 further extended the implementation and utilisation of this 20% General Mandate to 31 December 2022 to allow a listed issuer to seek a higher general mandate under Rule 6.04 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities.

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act. This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares until 31 December 2022 and thereafter, unless extended by Bursa Securities, the 10% limit under Rule 6.04(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The Board of Directors' Statement

The Board of Directors of MNC ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

**5. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company**

The proposed amendments to the Constitution of the Company under item 6 of the Agenda are mainly to enhance administrative efficiency.

The proposed amendments to the Constitution of the Company shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.



## APPENDIX A

### PROPOSED AMENDMENTS TO THE CONSTITUTION OF M N C WIRELESS BERHAD (“THE COMPANY”)

This is Appendix A referred to in Agenda 6 of the Notice of Eighteenth Annual General Meeting of the Company dated 30 August 2022.

Clause No.	Existing Clause	Proposed Clause
65  Meetings of members at two or more venues	The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 74, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.	<p>(a) The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing.</p> <p>(b) <b>For a hybrid general meeting</b>, the main venue of the meeting shall be in Malaysia and subject to Clause 74, the Chairman shall be present at the main venue of the meeting.</p> <p>(c) For a fully virtual general meeting, the broadcast venue <b>or the online meeting platform which located in Malaysia</b> shall be <b>recognised as</b> the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.</p> <p>(d) <b>For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator (“URL”) address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.</b></p>



wireless

M N C WIRELESS BERHAD

200301033463 (635884-T)

(Incorporated in Malaysia)

PROXY FORM

I/We\* .....NRIC/Registration No.\* .....  
(full name in capital letters)

of .....  
(full address)

Email Address ..... Mobile Phone No. ....

being (a) member(s) of M N C WIRELESS BERHAD [200301033463 (635884-T)] ("the Company") hereby appoint .....

.....NRIC No. ....  
(full name in capital letters)

of .....  
(full address)

Email Address ..... Mobile Phone No. ....

and/or\*, .....NRIC No. ....  
(full name in capital letters)

of .....  
(full address)

Email Address ..... Mobile Phone No. ....

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Eighteenth Annual General Meeting ("Meeting") of the Company to be held on a fully virtual basis and entirely via remote participation and voting through an online meeting platform hosted on Securities Services e-Portal at <https://sshsb.net.my/> (MYNIC Domain Registration Number D4A004360) provided by SS E Solutions Sdn. Bhd. on Friday, 21 October 2022 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her\* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM264,000.00 for the period from 22 October 2022 until the next Annual General Meeting of the Company.		
2.	To re-elect Datuk Tan Chor How Christopher as a Director who retires by rotation pursuant to Clause 91 of the Company's Constitution.		
3.	To re-elect Dato' Muhammad Shuib Bin Md Hashim as a Director who retires by rotation pursuant to Clause 91 of the Company's Constitution.		
4.	To re-appoint Messrs. Ong & Wong Chartered Accountants as Auditors of the Company.		
5.	To approve the authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

No.	Special Resolution	For	Against
1.	To approve the proposed amendments to the Constitution of the Company.		

\*delete whichever not applicable

CDS Account No.	
No. of Shares Held	

Dated this ..... day of ....., 2022.

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
TOTAL		100

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



**Notes:**

- (a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

**(1) In Hardcopy Form**

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

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AFFIX  
STAMP

The Share Registrar  
**M N C Wireless Berhad**  
Registration No.: 200301033463 (635884-T)  
c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan.

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## **M N C Wireless Berhad**

Registration No: 200301033463 (635884-T)

100-3.011, 129 Offices, Jaya One, No. 72A,

Jalan Profesor Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.

**Phone:** 603 7491 1880 **Fax:** 603 7491 1899

**[www.mnc.com.my](http://www.mnc.com.my)**