



ANNUAL REPORT


2023


M N C Wireless Berhad

Registration No: 200301033463 (635884-T)

19th

ANNUAL GENERAL MEETING

 Thursday, 19 October 2023

 10.30 a.m

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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' Muhammad Shuib Bin Md Hashim

Independent
Non-Executive Director

Audit Committee

Thu Soon Shien

Chairman

Wong Kok Seong

Member

Pang Siaw Sian

Member

Nomination and Remuneration Committee

Thu Soon Shien

Chairman

Wong Kok Seong

Member

Pang Siaw Sian

Member

Company Secretaries

Tea Sor Hua

(MACS 01324)
SSM Practising Certificate
No. 201908001272

Winnie Goh Kah Mun

(MAICSA 7068836)
SSM Practising Certificate
No. 202308000205

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

Email : cms_cospec@yahoo.com

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

Email : info@sshsb.com.my

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

CHENGCO PLT

No.8-2, 10-1, 10-2, Jalan 2/114,
Kuchai Business Centre,
Off Jalan Klang Lama,
58200 Kuala Lumpur,
Wilayah Persekutuan.

Tel : +603 7984 8988

Fax : +603 7984 4402

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

Warrants C

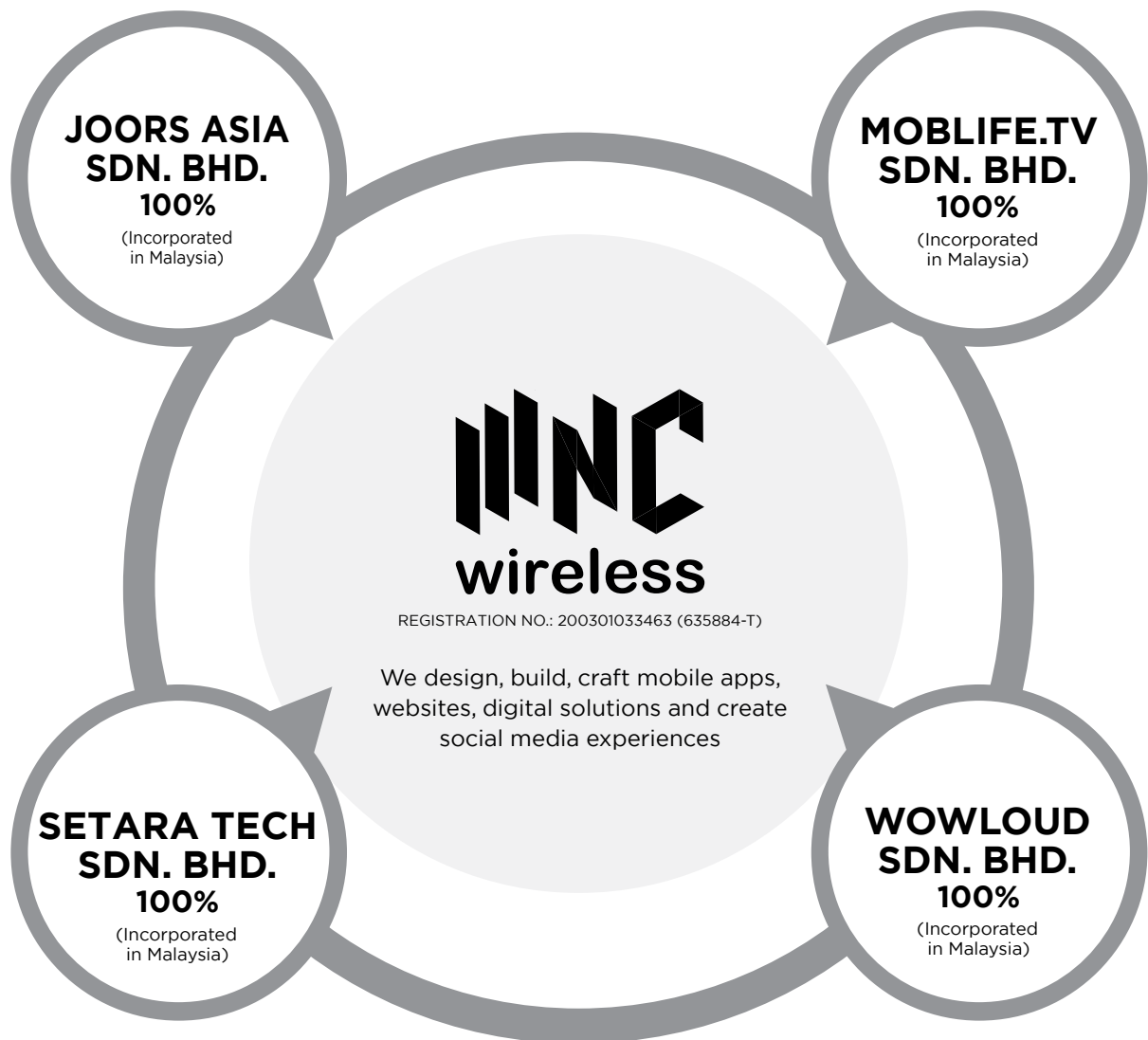
Stock Name :MNC-WC

Stock Code : 0103WC

Website

www.mnc.com.my

CORPORATE STRUCTURE

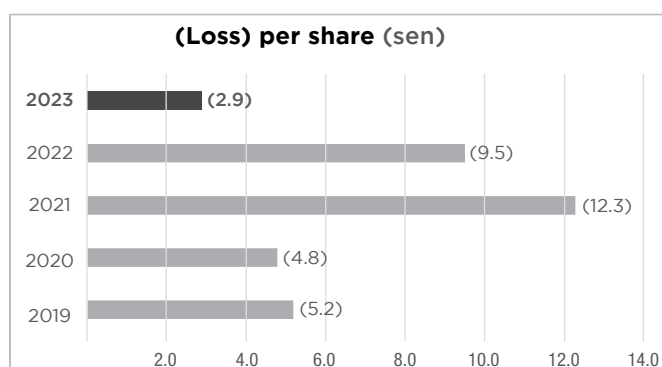
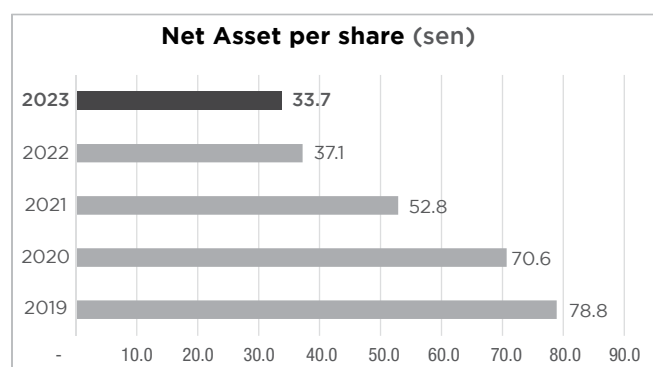
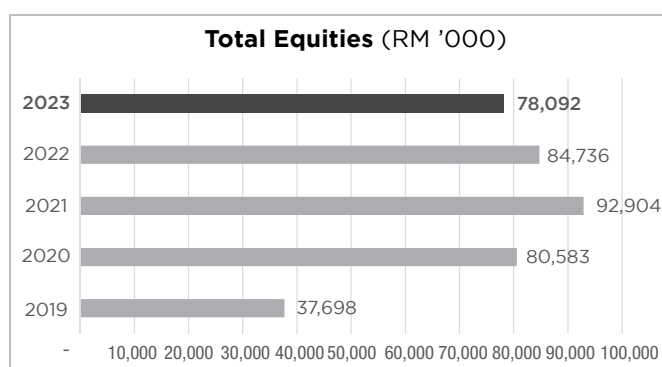
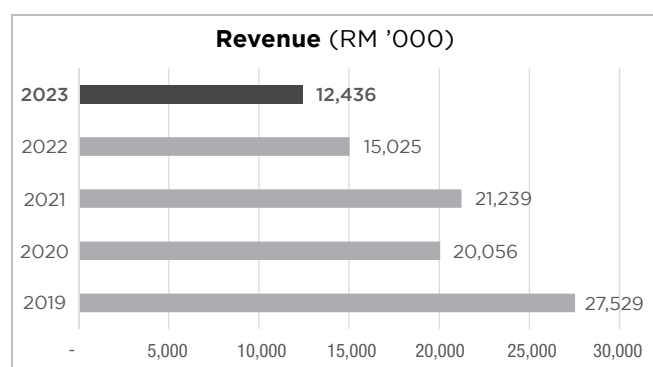


GROUP FINANCIAL REVIEW

	2019	2020	2021	2022	2023
Revenue (RM'000)	27,529	20,056	21,239	15,025	12,436
(Loss) Before Tax (RM'000)	(3,176)	(3,887)	(17,136)	(17,772)	(6,708)
(Loss) After Tax (RM'000)	(3,394)	(4,085)	(17,776)	(17,455)	(6,645)
Total Equities (RM'000)	37,698	80,583	92,904	84,736	78,092
Net Asset per share (sen)	78.8	70.6	52.8	37.1	33.7
(Loss) per share (sen)	(5.2)	(4.8)	(12.3)	(9.5)	(2.9)

Notes:

* During the financial year, the Company undertook a share consolidation exercise which involved the consolidation of every ten (10) existing shares in the Company into one (1) share of the Company. Accordingly, the prior years' net asset per share and loss per share have been restated to reflect the effect of share consolidation for better comparative purposes.



BOARD OF DIRECTORS' PROFILE

DATUK TAN CHOR HOW CHRISTOPHER

Chief Executive Officer cum Executive Director

Age : 43
Nationality : Malaysian
Gender : Male
Date of Appointment : 1 June 2015

QUALIFICATIONS

- a) Bachelor of Commerce (Accounting), University of Adelaide in South Australia
- b) Certified Credit Professional - Business Credit certification from Institute Bank - Bank Malaysia (IBBM).

WORKING EXPERIENCE AND OCCUPATION

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 is also sits on the board of several private limited companies.

Datuk Christopher attended all four (4) Board meetings of the Company held during the financial year.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

- PDZ Holdings Bhd.

FAMILY RELATIONSHIP WITH ANY DIRECTORS/ MAJOR SHAREHOLDERS OF THE COMPANY

Nil

CONFLICT OF INTEREST WITH THE COMPANY

Nil

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR ANY OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTIONS OR PENALTIES IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2023

Nil

BOARD OF DIRECTORS' PROFILE

(CONT'D)

WONG KOK SEONG

Senior Independent Non-Executive Director

Age : 54

Nationality : Malaysian

Gender : Male

Date of Appointment : 8 April 2015

Chairman of the Board

Member of Audit Committee

Member of Nomination and Remuneration Committee

QUALIFICATIONS

- Masters of Business Administration, Open University of United Kingdom
- Fellow Member of the Association of Chartered Certified Accountants (FCCA)
- Member of Malaysian Institute of Accountants (MIA)

WORKING EXPERIENCE AND OCCUPATION

Mr. Wong 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. He 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.

Mr. Wong attended all four (4) Board Meetings of the Company held during the financial year.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

- PNE PCB Berhad
- Fitters Diversified Berhad
- PDZ Holdings Bhd.
- Computer Forms (Malaysia) Berhad

FAMILY RELATIONSHIP WITH ANY DIRECTORS/ MAJOR SHAREHOLDERS OF THE COMPANY

Nil

CONFLICT OF INTEREST WITH THE COMPANY

Nil

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR ANY OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTIONS OR PENALTIES IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2023

Nil

BOARD OF DIRECTORS' PROFILE (CONT'D)

DATO' MUHAMMAD SHUIB BIN MD HASHIM

Independent Non-Executive Director

Age : 65
Nationality : Malaysian
Gender : Male
Date of Appointment : 10 February 2020

QUALIFICATIONS

Diploma in Police Science, Universiti Kebangsaan Malaysia.

WORKING EXPERIENCE AND OCCUPATION

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 attended all four (4) Board Meetings of the Company held during the financial year.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

Nil

FAMILY RELATIONSHIP WITH ANY DIRECTORS/ MAJOR SHAREHOLDERS OF THE COMPANY

Nil

CONFLICT OF INTEREST WITH THE COMPANY

Nil

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR ANY OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTIONS OR PENALTIES IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2023

Nil

BOARD OF DIRECTORS' PROFILE

(CONT'D)

THU SOON SHIEN

Independent Non-Executive Director

Age : 42

Nationality : Malaysian

Gender : Male

Date of Appointment : 8 April 2015

Chairman of Audit Committee

Chairman of Nomination and Remuneration Committee

QUALIFICATIONS

- a) Member of the Association of Chartered Certified Accountant (ACCA), United Kingdom
- b) Member of the Malaysian Institute of Accountants (MIA)

WORKING EXPERIENCE AND OCCUPATION

Mr. Thu is an accountant by profession with more than ten (10) years of experience. He started his career in year 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 attended all four (4) Board Meetings of the Company held during the financial year.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

Nil

FAMILY RELATIONSHIP WITH ANY DIRECTORS/ MAJOR SHAREHOLDERS OF THE COMPANY

Nil

CONFLICT OF INTEREST WITH THE COMPANY

Nil

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR ANY OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTIONS OR PENALTIES IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2023

Nil

BOARD OF DIRECTORS' PROFILE (CONT'D)

PANG SIAW SIAN

Non-Independent Non-Executive Director

Age : 36
Nationality : Malaysian
Gender : Female
Date of Appointment : 8 April 2015

Member of Audit Committee

Member of Nomination and Remuneration Committee

QUALIFICATION

Bachelor of Arts (Hons) in International Hospitality Management, Bournemouth University in United Kingdom.

WORKING EXPERIENCE AND OCCUPATION

Ms. Pang 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.

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 attended all four (4) Board Meetings of the Company held during the financial year.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

- PDZ Holdings Bhd.

FAMILY RELATIONSHIP WITH ANY DIRECTORS/ MAJOR SHAREHOLDERS OF THE COMPANY

Nil

CONFLICT OF INTEREST WITH THE COMPANY

Nil

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR ANY OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTIONS OR PENALTIES IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2023

Nil

KEY SENIOR MANAGEMENT'S PROFILE

DATUK TAN CHOR HOW CHRISTOPHER

Chief Executive Officer cum Executive Director

Age	: 43
Nationality	: Malaysian
Gender	: Male

The details of Datuk Tan Chor How Christopher are disclosed in the Directors' Profile of this Annual Report.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)

HOOI HING CHUAN

Chief Technology Officer

Age : 53
Nationality : Malaysian
Gender : Male

QUALIFICATION

Bachelor of Science majoring in Computer Science and Information Technology, University of Western Australia.

WORKING EXPERIENCE AND OCCUPATION

Mr. Hooi 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 began his career as an Analyst Programmer and was subsequently promoted to Application Specialist with BASS Consulting Sdn. Bhd. His major contribution was 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.

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

Nil

FAMILY RELATIONSHIP WITH ANY DIRECTORS/ MAJOR SHAREHOLDERS OF THE COMPANY

Nil

CONFLICT OF INTEREST WITH THE COMPANY

Nil

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR ANY OFFENCES WITHIN THE PAST 5 YEARS AND ANY PUBLIC SANCTIONS OR PENALTIES IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2023

Nil

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 2023.

For the financial year under review, we are witnessing economic recovery as businesses reopen and international borders ease restrictions following the endemic. However, the current business environment in Malaysia remains intricate and uncertain. This is mainly due to the global supply disruptions arising from geopolitical conflicts, along with escalating inflation, rising living costs, and the weakening of the home country currency (Ringgit), pose challenges. These factors could potentially dampen consumer purchasing power, obliquely affecting the telecommunications and media industry in which our Group operates.

To navigate through such uncertainties and challenges, the Group’s continuing efforts to improve its customer-focused solutions and enhance customer acquisition activities, whilst optimizing operational efficiencies have empowered the Group to support its clientele and strengthen its core business in alignment with the swift adoption of digital applications by consumers, as the Group always emphasizes the importance of being adaptive, cautiously prudent and proactive to its business and operating environment.

Company’s Performance

For the financial year ended 30 April 2023 (“FYE 2023”), the Group recorded a revenue of RM12.436 million as compared to RM15.025 million in the financial year ended 30 April 2022 (“FYE 2022”), mainly due to lower contribution from wireless and multimedia services segment rendered during the financial year as a result of the lower customer demand from the business partners.

The Group registered a loss before tax (“LBT”) of RM6.708 million for FYE 2023 as compared to LBT of RM17.772 million in FYE 2022, mainly due to lower operating expenditure with lower customer acquisition and business development cost coupled with the decrease in administrative cost and infrastructure cost as a result of the Group’s cost optimisation measures taken during the financial year.

The year under review has proven to be another challenging year. In addition to entering additional resources into research and development for innovating and improving our mobile solution and digital services, we have been taking greater efforts in finetuning and streamlining our operations to improve performance and strengthening our financial position.

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 robust 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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.

Outlook and Group Prospects

Despite facing with the prevailing challenges and uncertainties, both business and government sectors are pivoting towards automation and digitalisation of their operations and processes, accompanied by the on-going advancement in smart devices and high-speed internet, including but not limited to the anticipated introduction of 5G networks in Malaysia and the increasing trend of digital marketing being embraced by the consumers and business domains. The Group is well-positioned to capitalize on these trends with its customer centric solutions in mobile and digital applications and its multimedia related services, which would contribute positively to its revenue and ultimately benefits its shareholders.

The Group remains optimistic about the bulk short message service ("SMS") segment prospectively. We expect robust demand for bulk SMS for marketing and notifications due to a strong inclination toward using bulk SMS across various industries, such as banking, insurance, healthcare, property development, travel, transportation, automotive, retails as well as government agencies, to send SMS to their existing and potential customers to promote their products and services.

The Group has further expanded downstream into related business activities, namely 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.

Looking ahead, the Group will continue to pursue its on-going business strategies, aimed at ensuring long-term sustainability and growth, which are as follows:

1. The Group aims to continuously seek growth opportunities in both domestic and overseas markets. This endeavour is geared toward bolstering our market presence.
2. The Group commits to scale up our technology capabilities in order to improve its operational efficiency while exercise prudence in its expenditures.
3. The Group focuses on improving our services and products quality and innovation while we remain dedicated to engaging clients and meeting their evolving needs. This dynamic approach inherently broadens our customer base.

Premised on the above and after having considered all the relevant aspects including the overview of the Malaysia Information and Communication Technology (ICT) industry, the Board is optimistic about the prospects of the Group.

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 public to book luxury homestay.
- 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;

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

- 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.

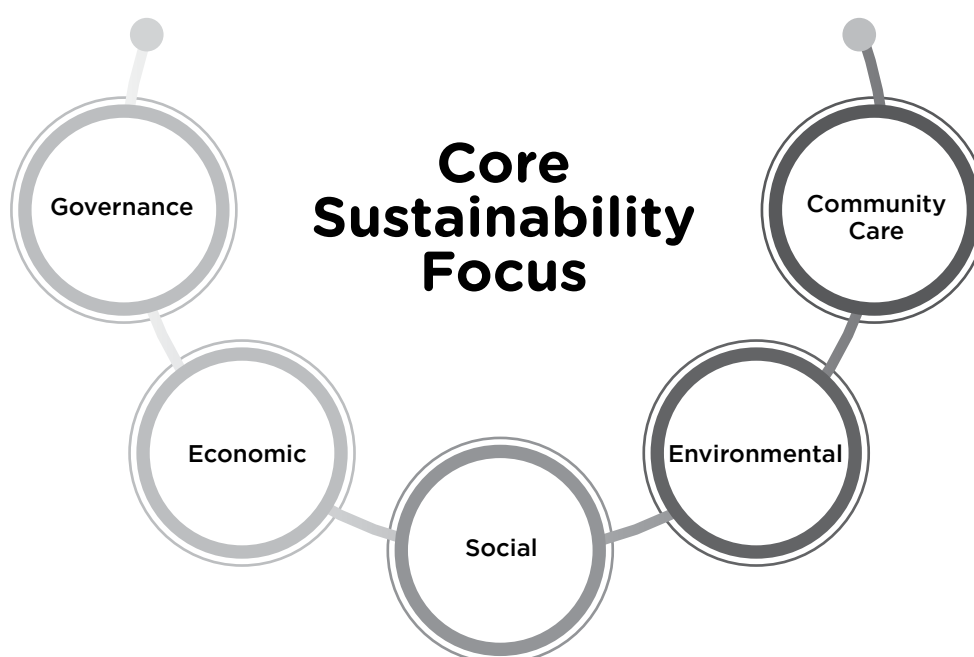
Acknowledgement

We would like to take this opportunity to express our appreciation and gratitude to our stakeholders.

SUSTAINABILITY STATEMENT

M N C Wireless Berhad (“MNC” or “the Company”) and its subsidiaries (“the Group”) aims to conduct its business in a sustainable manner which focuses on key Economic, Environmental and Social (“EES”) 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 in line 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.

Governance Structure

The Group develops a sustainability framework that is led from the top-down approach while diverse responsibilities are undertaken by various teams at the different levels. The Board of Directors (“the Board”) is the higher oversight over the MNC’s sustainability governance and sets the tone in determining the Group’s long-term strategic plans, key business processes and the material topics to be prioritised. Further, the Management Team oversees sustainability matters through managing the Group’s risks and internal controls while optimising value creation.

SUSTAINABILITY STATEMENT (CONT'D)

Materiality Assessment

We undertook a materiality assessment to identify the important EES themes and governance issues through several phases as follows. The materiality assessment revealed the EES issue that presented sustainability risks and opportunities. In this respect, it allowed us to address the concerns of our stakeholders.

Materiality Assessment



Compliance and Ethics

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 Anti-Corruption Policy and Code of Conduct and Ethics. 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 Conduct and Ethics;
- Whistleblower Policy;
- Related Party Transaction Policy and Procedures; and
- Anti-Bribery and Anti-Corruption Policy

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

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 periodically the implementation of internal control system such as financial authority framework and risk management framework.

The Group ensures its corporate website provides latest corporate news of the Group, which includes the 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. Customers' 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 in turn 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 and 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.

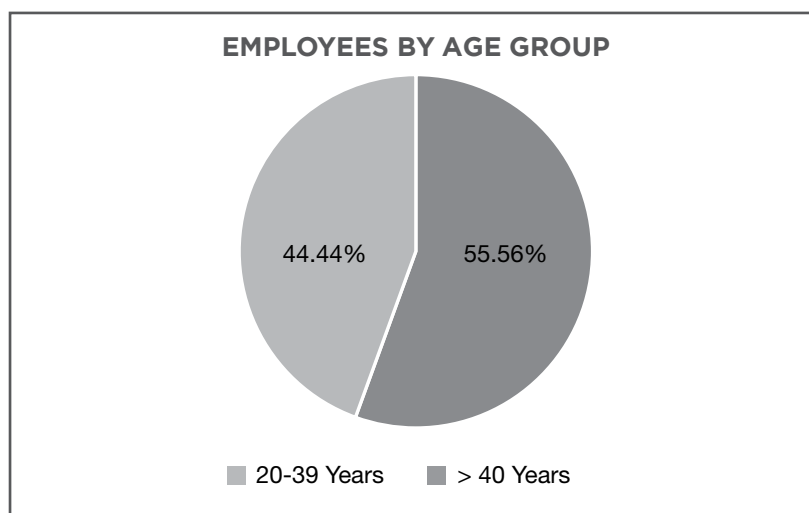
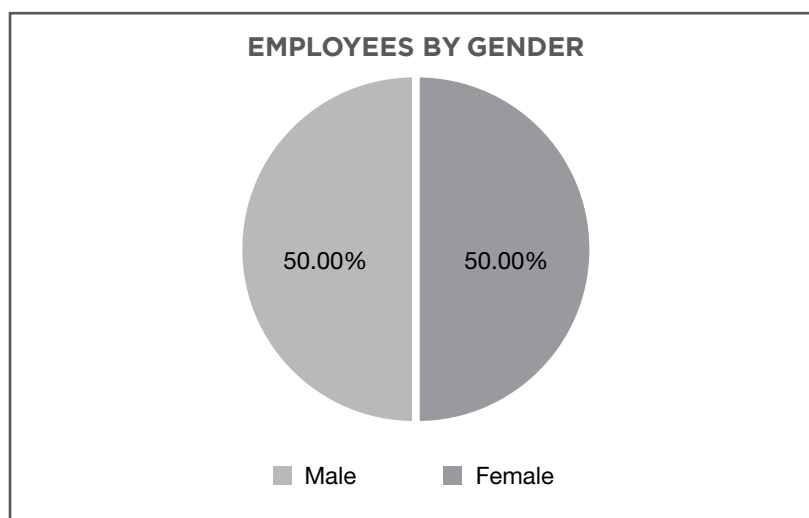
SUSTAINABILITY STATEMENT (CONT'D)

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 follow:-



The Employees

i) Employees' Welfare and Well-Being

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

SUSTAINABILITY STATEMENT (CONT'D)

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 and 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.

ii) Skills Development

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 the employees in order to enhance their competence, job skills, knowledge and performance.

We encourage our employees to be professionally certified in their areas of expertise and we will reimburse the annual membership fees paid by our employees to their respective professional bodies.

iii) Health and Safety

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.

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.

During the financial year, the Company made contributions amount of RM10,000 to Persatuan Kanak-Kanak Spastik Selangor & Wilayah Persekutuan. Additionally, all employees participated Charity Walk-Jog-Wheel-A-Thon event, walked together with disabilities on 8 January 2023.



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 2023 (“FYE 2023”). The statement is also presented in compliance with Rule 15.25(2) of the ACE Market Listing Requirements (“Listing Requirements”) 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 2023. This CG Report is available on the Company’s corporate website at 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 (“TOR”) of the respective committees are available on the Company’s website at www.mnc.com.my.

Apart from the responsibility of the Board Committees, the chief officers and other Senior Management are also delegated certain authorities 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 the Chairman, amongst others, include the following: -

- To provide leadership to the Board.
- To oversee the effective discharge of the Board’s supervisory role.
- To facilitate the effective contribution 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board (Cont'd)

The responsibilities of the Chairman, amongst others, include the following (Cont'd): -

- 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.

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 Secretaries

The Board is supported by two (2) qualified and experienced Company Secretaries, who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("CA 2016") and are also registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

The Company Secretaries are responsible for ensuring overall compliance with the CA 2016, Listing Requirements, and other relevant laws and regulations. In addition, the Company Secretaries assist the Board and Board Committees in fulfilling their duties effectively while adhering to established Board policies and procedures and best practices.

To discharge these critical roles, the Company Secretaries regularly attend relevant training programs, conferences, seminars, and forums to stay current with the latest developments in corporate governance and regulatory requirements relevant to their profession. This ongoing education enables the Company Secretaries to provide the necessary advice to the Board and ensure that the Company remains compliant.

The Board has direct access to the professional advice and services of the Company Secretaries to assist them in performing their duties and discharging their responsibilities effectively. The Company Secretaries' role in facilitating compliance and ensuring the smooth functioning of the Board is critical to the Company's success.

Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

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 Secretaries. 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) working 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.

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 regard 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.7 Code of Conduct and Ethics

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

The Board will review the Code of Conduct and Ethics 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 Conduct and Ethics and make a necessary declaration if there is any conflict of interests.

1.8 Whistleblowing Policy

The Group has put in place a Whistleblowing 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 Whistleblowing 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 Whistleblowing Policy is available on the Company's website at www.mnc.com.my.

The Board will review and update the Whistleblowing 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 the Group's activities. This policy which adheres to the Listing Requirements 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 individuals 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.

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 Directors' Fit and Proper Policy

In line with the new Rule 15.01A of the Listing Requirements of Bursa Securities, the Board had on 29 June 2022 adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the AGM.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.mnc.com.my.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors.

1.11 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 incorporated the assessment of the Board's understanding on sustainability issues in the annual performance evaluation that are critical to the Company's performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION

2.1 Board Composition

The composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are Independent Directors. Currently, the Board has five (5) 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.	Pang Siaw Sian	Non-Independent Non-Executive Director
5.	Dato' Muhammad Shuib Bin Md Hashim	Independent Non-Executive Director

The Board composition also complies with 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 9 in this Annual Report.

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 an 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

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.

In identifying suitable candidates, the NRC may receive suggestions from existing Board members, Management, and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Rule 15.06 of the Listing Requirements 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 TOR, which is accessible on the Company's website at www.mnc.com.my.

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 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.

The Company has in place a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level. It is published on the Company's website at www.mnc.com.my.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular 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	Chairman
Pang Siaw Sian (Non-Independent Non-Executive Director)	Member	Member

2.6 NRC

The NRC is chaired by Mr. Thu Soon Shien, 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 TOR dealing with its authority and duties which include the selection and assessment of directors. The TOR of the NRC was last reviewed, updated and approved on 1 July 2021 which incorporated the relevant practices recommended under the MCCG. The TOR of the NRC is published on the Company's website at www.mnc.com.my.

The activities undertaken by the NRC during the FYE 2023 are as follows: -

- 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 they could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and recommended to the Board the contribution and performance of the AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.6 NRC (Cont'd)

The activities undertaken by the NRC during the FYE 2023 are as follows (Cont'd): -

- (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 21 October 2022.
- (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.
- (g) Reviewed and recommended to the Board the appointment of Ms. Pang Siaw Sian as a new member of the AC and NRC respectively.
- (h) Reviewed and recommended to the Board the re-designation of Mr. Thu Soon Shien from a member to the Chairman of the NRC in replacement of Dato' Kua Khai Shyuan who has ceased as the Chairman of the NRC.

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 Director, 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 Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) 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 (3) 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, and 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 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 Directors, 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 Directors, 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 Directors, 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 2023, the NRC and the Board were satisfied with the performance of the individual Directors, the 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 2023, 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 2023 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 ⁽¹⁾ (Independent Non-Executive Director)	3/3	3/3	1/1
Pang Siaw Sian (Non-Independent Non-Executive Director)	4/4	1/1	N/A
Dato' Muhammad Shuib Bin Md Hashim (Independent Non-Executive Director)	4/4	N/A	N/A

Note:

(1) Dato' Kua Khai Shyuan resigned as an Independent Non-Executive Director of the Company on 1 March 2023.

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 2023, all Directors had attended the following training programmes in compliance with Rule 15.08 of the Listing Requirements of the Bursa Securities: -

Name of Directors	Training/seminars attended
Wong Kok Seong	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Key Amendments to the Main Market Listing Requirements of Bursa Securities relating to Directors' Appointment, Independence and Other Amendments • LED – Environment, Social & Governance Essentials • MIA Webinar Series: Preparing your firm for the new standards on Quality Management: ISQM 1 and ISA 220 (Revised) • MIA Webinar Series: MFRS/IFRS Technical Update 2022 • MIA Webinar Series: ISAs for Audit Planning: ISA 300, 315 (Revised), 320 & 450
Thu Soon Shien	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • MIA Webinar Series: A Comprehensive Review of Latest Development in MFRS • Hands-on Program on New Amendments of Employment Act Virtual Conference • Preparing for ISQM getting started to Quality Management Implementation Journey • Preparing for ISQM Resources: Expectations for Firms and Engagement Partners • Preparing for ISQM Introduction to Quality Management Standard & Quality Risk Assessment • Preparing for ISQM what's new for firm's monitoring and remediation processes • 2023 Budget Seminar
Datuk Tan Chor How Christopher	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework
Pang Siaw Sian	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework
Dato' Muhammad Shuib Bin Md Hashim	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework

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.

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 2023 are the same as follows: -

Name of Directors	RM ('000)						
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument #	Total
The Company and Group level							
Datuk Tan Chor How Christopher	–	–	216	–	–	70.25	286.25
Wong Kok Seong	30	2	–	–	–	–	32
Thu Soon Shien	24	2	–	–	–	–	26
Dato’ Kua Khai Shyuan ^	30	1	–	–	–	–	31
Pang Siaw Sian	60	2	–	–	–	–	62
Dato’ Muhammad Shuib Bin Md Hashim	30	2	–	–	–	–	32
TOTAL	174	9	216	–	–	70.25	469.25

Notes:

Other emolument includes Defined Contribution Plan and travelling allowances.

^ Dato' Kua Khai Shyuan resigned as an Independent Non-Executive Director of the Company on 1 March 2023.

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 of talents within the information technology 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 2023 are as follows:-

Range of Remuneration	Number of Senior Management
RM50,001 to RM100,000	–
RM100,001 to RM150,000	1
RM150,001 to RM200,000	2
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 Rules 15.09 and 15.10 of the Listing Requirements of Bursa Securities whereby all three (3) AC members are Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The TOR of AC had been updated earlier 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 appointed as a member of the AC and the same is accessible on the Company's website at 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 TOR.

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 conducted an annual performance assessment of the External Auditors and invited the CEO cum ED and the Management to participate in the evaluation. Following the assessment, the AC is satisfied with the External Auditors' independence and suitability for the Company. As such, the AC has recommended their reappointment to the shareholders for approval at the upcoming 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 2023.

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 the internal control system and processes of the Group by providing an independent assessment of 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 2023 are as disclosed in the AC Report of the Annual Report 2023.

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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 the 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 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.

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The notice of the Eighteenth AGM ("18th AGM") of the Company held on 21 October 2022 was sent to the shareholders on 30 August 2022, which is more than twenty-eight (28) days prior to the date of the 18th 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 18th 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 Notes prior to the 18th 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 18th AGM were put to vote by poll and the votes cast 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 (CONT'D)

7.2 Effective Communication and Proactive Engagement

All Directors had attended the 18th 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 18th AGM. The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

During the proceedings of the 18th 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. However, no questions were raised by the shareholders during the 18th AGM.

Shareholders were encouraged to post their questions to the Board using the query box facility throughout the 18th AGM. The Company facilitates and encourages shareholder participation at its 18th 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 18th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 18th 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 Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2023, 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 complied with Rule 15.09 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC comprises solely Non-Executive Directors, with a majority of them being Independent 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
Pang Siaw Sian	Member	Non-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 Company’s corporate website at www.mnc.com.my.

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AUDIT COMMITTEE REPORT

(CONT'D)

AC MEETINGS

During the financial year ended 30 April 2023 ("FYE 2023"), 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
Pang Siaw Sian ⁽¹⁾	1/1

Note:

(1) Appointed as a member of the AC on 8 March 2023.

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.

SUMMARY OF WORK

During the FYE 2023, 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 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.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK (CONT'D)

During the FYE 2023, the AC carried out the following activities in the discharge of its functions and duties (Cont'd):

External Audit

- (a) Discussed and reviewed with External Auditors on their audit findings in respect of the Group and the audit planning memorandum for the FYE 2023;
- (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 financial year under review;
- (d) Reviewed and recommended the appointment of ChengCo PLT as the new External Auditors in place of Messrs. Ong & Wong Chartered Accountants who have resigned and their audit fees to the Board for consideration based on their profile, competency, adequacy of resources and experience of their audit engagement team; and
- (e) Met with External Auditors separately without the presence of the Chief Executive Officer cum Executive Director 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) Reviewed and discussed the Risk Management Report of the Group tabled by the Management, where the discussion included risk assessment, summary of action plans and manage 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) Reviewed 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 requirement before recommending to the Board for approval for inclusion in the Company's Annual Report;
- (b) Reviewed its Terms of Reference periodically and made recommendation to the Board on revision, if necessary;
- (c) Self-reviewed the performance of the AC and submit the evaluation to the Nomination and Remuneration Committee for assessment; and
- (d) Reviewed and verified the allocation and granting of new ordinary shares in the Company pursuant of the Employee's Share Option Scheme in accordance with Listing Requirements.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to an independent internal audit 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. The scope of review was discussed and requested by the Management. Subsequently, it was aligned and confirmed with the AC during the AC meeting.

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

1. Reviewed and evaluated the adequacy and effectiveness of the internal control system on invoicing and collection management process; and
2. Conducted follow-up reviews to assess the progress of the agreed Management's action plans and report to the Management and AC.

Based on the internal audit reviews conducted, no significant internal control weaknesses were noted and as such the reviews provide weaknesses and consequential provides reasonable assurance on the effectiveness of the Group system of internal control and the adequacy of these systems to mitigate business risks.

The report 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 FYE 2023 was RM8,000.00 (excluding service tax and disbursements).

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 2023.

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 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 shareholders 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 who assists the Board and the AC in providing 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.

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

INTERNAL CONTROL STRUCTURE (CONT'D)

The following set out the key elements of the Group's control environment include (Cont'd):

(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.

The Group has in place a Whistleblowing Policy to 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.

(vi) *Performance Management*

The Group has in place a proper control environment which emphasises on the 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 competence in carrying out their duties.

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 2023.

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 18 August 2023.

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 2023, 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)	–
Total		28,342	(20,278)	8,064

Note:

The Board of Directors ("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 2023, 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)	–
Total		44,939	(12,602)	32,337

Notes:

- * Surplus from the expenses for the Corporate Exercises is adjusted accordingly to the 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 of Bursa Securities.

As at 30 April 2023, the status of utilisation of proceeds raised from the Private Placement are as follows:

Description	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)	–
Total		9,286	(393)	8,893

Note:

Any surplus of funds following the payment for the Proposals will be allocated to the 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 2023 are as follows:

	Group RM	Company RM
Audit Fees	83,000	56,000
Non-Audit Fees	5,000	5,000

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) and it is accordance to the By-Law governing the ESOS.

The ESOS would be in force for a period of five (5) years from the effective date of implementation on 3 September 2021. It may be extended for a further period of up to 5 years at the discretion of the Board upon recommendation from ESOS Committee, provided always that the ESOS shall not in aggregate exceed a duration of ten (10) years.

During the financial year ended 30 April 2023, 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 2023.

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 2023, 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.



wireless

REGISTRATION NO.
200301033463 (635884-T)

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 2023.

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
Loss attributable to:		
Owners of the Company	(6,644,654)	(4,872,862)

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:

- (i) The Company, prior to the share consolidation exercise on 9 November 2022, issued a total of 31,939,000 new ordinary shares at book value of RM0.0582 each arising from conversion of 63,878,000 units of ICPS on the basis of 2 units of ICPS for 1 new ordinary share;
- (ii) On 9 November 2022, the Company completed a share consolidation of every ten (10) ordinary shares into one (1) ordinary share following the listing and quotation of 231,883,826 Consolidated Shares, 14,571,350 Consolidated Irredeemable Convertible Preference Shares and 2,995,923 Consolidated Warrants B on the ACE Market of Bursa Securities Malaysia Berhad ("Bursa Securities"); and
- (iii) After the abovementioned share consolidation, the Company issued a total of 149,050 new consolidated ordinary shares at book value of RM0.5820 each arising from conversion of 298,100 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.

DIRECTORS' REPORT (CONT'D)

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 2023, the total number of ICPS that remain unconverted was 14,273,250.

WARRANTS

(a) Warrants 2019/2024 ("Warrants B")

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.

The details and other salient features of the Warrants are disclosed in Note 16(b) to financial statements.

As at 30 April 2023, the total number of Warrants B that remain unexercised was 2,995,923.

(b) Warrants C

Following the completion of the share consolidation on 9 November 2022, the Company has issued 86,955,690 new warrants ("Warrants C") on the basis of 3 Warrants C for every 8 existing consolidated ordinary shares in the Company pursuant to the bonus issue of new warrants and completed the exercise following the listing of and quotation for the Warrants C on the ACE Market of Bursa Securities on 23 November 2022. The Warrants C are constituted under Deed Poll C executed by the Company.

The details and other salient features of the Warrants are disclosed in Note 16(c) to financial statements.

As at 30 April 2023, the total number of Warrants C that remain unexercised was 86,955,690.

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 Securities, 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.

DIRECTORS

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

Wong Kok Seong
 Datuk Tan Chor How Christopher*
 Thu Soon Shien
 Dato' Muhammad Shuib Bin Md Hashim
 Pang Siaw Sian
 Dato' Kua Khai Shyuan* (Resigned on 01 March 2023)

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

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares and warrants of the Company during the financial year were as follows:

	Balance at 01.05.2022	Number of Ordinary shares			Balance at 30.04.2023
		Bought	Sold	Share Consolidation	
Datuk Tan Chor How Christopher	133,383,333	–	–	(120,045,000)	13,338,333
	Balance at 01.05.2022	Number of Warrants B			Balance at 30.04.2023
		Bought	Sold	Share Consolidation	
Datuk Tan Chor How Christopher	5,333,333	–	–	(4,800,000)	533,333
	Balance at 01.05.2022	Number of Warrants C			Balance at 30.04.2023
		Bought	Sold	Entitled from Bonus Issue	
Datuk Tan Chor How Christopher	–	–	–	5,001,874	5,001,874

Save for the above, none of the other Directors in office at the end of the financial year had any interest in the ordinary shares and warrants of the Company during the financial year.

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' REPORT

(CONT'D)

DIRECTORS' REMUNERATION

The remuneration paid to or receivable by the Directors of the Group and Company during the financial year are amounted to RM469,251.

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.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 33 to the financial statements.

AUDITORS

The auditors' remuneration of the Group and of the Company are amounted to RM83,000 and RM56,000 respectively for the financial year ended 30 April 2023.

The auditors, CHENGCO PLT, 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

Selangor Darul Ehsan
Date: 18 August 2023

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 63 to 126 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 2023 and of the financial performance and cash flows of the Group and of the Company for the year ended on that date.

Signed in Selangor Darul Ehsan on 18 August 2023

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 63 to 126 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 Selangor Darul Ehsan on 18 August 2023

**DATUK TAN CHOR HOW
CHRISTOPHER**

Before me,
SAMUEL JOHN A/L PONNIAH
LICENSE NO. B437

Commissioner for Oaths
Selangor Darul Ehsan

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 2023 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 and other explanatory information, as set out on pages 63 to 126.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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. The key audit matters for the audit of the financial statements of the Group are described below. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

(CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>As at 30 April 2023 the net carrying amount of trade receivables of the Group amounted to RM3,065,377.</p> <p>The determination of whether the trade receivable is recoverable involves judgements and estimation uncertainty in analyzing historical bad debts, customer concentration, customer creditworthiness, current economic trends, customer payment terms and etc.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • 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; • We assessed recoverability of receivables by reviewing their historical bad debt expense, ageing profiles of the trade receivable and past historical repayment trends; • We assessed the cash receipts subsequent to the end of the reporting date for its effect in reducing amounts outstanding as at the end of the reporting period; • We evaluated the reasonableness and adequacy of the allowance for expected credit losses recognized for identified exposures.
<p>Contracts revenue recognition</p> <p>MNC Group's main sources of income are mobile application and wireless and multimedia related services amounted to RM12,435,603.</p> <p>We have identified revenue recognition as a key audit matter due to risk that revenue may be overstated from the perspective of timing of recognition and the amount of revenue recognised.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Performed walkthrough of the revenue controls process to obtained an understanding of the Group's relevant controls over the timing and amounts of revenue recognised. • Tested selected revenue transactions relating to the services by assessing and evaluating the MFRS 15 five step model. • We assessed whether sales transactions either side of statement of financial position date as well as credit note issued after the year end are recognised in the appropriate period.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information include in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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 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, action taken to eliminate threats or related safeguards.

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.

Other Matters

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

The financial statements for the financial year ended 30 April 2022 were audited by another firm of certified public accountants whose report dated 19 August 2022 expressed an unqualified opinion on those statements.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

HOO DE WEI
03625/12/2023 J
Chartered Accountant

Kuala Lumpur,
Date: 18 August 2023

STATEMENTS OF FINANCIAL POSITION

as at 30 April 2023

			Group		Company
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	8,634,431	9,017,164	7,051,277	7,212,405
Intangible assets	6	15,614,200	7,659,734	13,705,033	4,960,567
Investment in subsidiary companies	7	–	–	1,565,037	1,165,037
Other investments	8	1,869,332	98,751	1,869,332	98,751
		26,117,963	16,775,649	24,190,679	13,436,760
CURRENT ASSETS					
Trade receivables	9	3,065,377	4,087,125	96,856	788,952
Other receivables, deposits and prepayments	10	12,657,325	473,439	12,603,911	326,810
Amount owing by subsidiary companies	11	–	–	10,999,605	10,545,485
Current tax assets		704,069	580,190	445,918	348,004
Fixed deposits	12	44,714,379	72,261,318	44,598,475	72,147,189
Cash and bank balances		548,769	1,259,336	309,871	1,072,014
		61,689,919	78,661,408	69,054,636	85,228,454
TOTAL ASSETS		87,807,882	95,437,057	93,245,315	98,665,214

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

STATEMENTS OF FINANCIAL POSITION

as at 30 April 2023

(CONT'D)

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	13	125,596,442	123,650,845	125,596,442	123,650,845
Irredeemable convertible preference shares	14	4,150,520	6,096,117	4,150,520	6,096,117
Revaluation reserve	15	2,601,386	2,683,713	2,601,386	2,683,713
Warrant reserve	16	1,351,163	1,351,163	1,351,163	1,351,163
Accumulated losses		(55,607,963)	(49,045,636)	(45,498,069)	(40,707,534)
TOTAL EQUITY		78,091,548	84,736,202	88,201,442	93,074,304
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	17	84,043	368,618	—	—
Deferred tax liabilities	18	852,681	880,498	852,681	880,498
		936,724	1,249,116	852,681	880,498
CURRENT LIABILITIES					
Trade payables	19	3,600,322	3,992,321	183,236	471,493
Other payables and accruals	20	4,551,768	5,171,489	3,617,427	4,238,919
Lease liabilities	17	236,991	287,929	—	—
Bank overdraft	21	390,529	—	390,529	—
		8,779,610	9,451,739	4,191,192	4,710,412
TOTAL LIABILITIES		9,716,334	10,700,855	5,043,873	5,590,910
TOTAL EQUITY AND LIABILITIES		87,807,882	95,437,057	93,245,315	98,665,214

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 30 April 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	22	12,435,603	15,025,203	908,945	1,690,768
Cost of sales		(10,697,090)	(12,627,170)	(866,771)	(1,240,402)
Gross profit		1,738,513	2,398,033	42,174	450,366
Other operating income	23	802,401	1,295,817	1,482,091	2,080,508
Sales and distribution costs		(172)	2,923	(172)	2,923
Administrative expenses		(9,077,269)	(21,530,745)	(6,310,578)	(18,184,965)
Net (allowance)/reversal of impairment on receivables and deposits		(149,608)	97,808	(149,608)	62,571
Loss from operations		(6,686,135)	(17,736,164)	(4,936,093)	(15,588,597)
Finance costs	24	(21,465)	(36,102)	-	-
Loss before taxation	25	(6,707,600)	(17,772,266)	(4,936,093)	(15,588,597)
Income tax expense	26	62,946	317,565	63,231	317,565
Loss after taxation		(6,644,654)	(17,454,701)	(4,872,862)	(15,271,032)
Other comprehensive income, net of tax					
<u>Items that will not be reclassified to profit or loss:</u>					
- Realisation of revaluation reserves	15	82,327	32,204	82,327	32,204
Total comprehensive loss for the year		(6,562,327)	(17,422,497)	(4,790,535)	(15,238,828)
Loss attributable to:					
- Owners of the Company		(6,644,654)	(17,454,701)	(4,872,862)	(15,271,032)
Total comprehensive loss attributable to:					
- Owners of the Company		(6,562,327)	(17,422,497)	(4,790,535)	(15,238,828)
Loss per share (sen)					
- Basic	27	(2.88)	(9.51)		
- Diluted	27	N/A	N/A		

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

STATEMENTS OF CHANGES IN EQUITY

for the Year Ended 30 April 2023

	Attributable to Owners of the Company					
	Non-distributable					
	Share Capital RM	Irredeemable Convertible Preference Shares RM	Revaluation Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
Group						
At 1 May 2021	114,338,162	6,122,301	2,715,917	6,074,836	(36,346,812)	92,904,404
Transactions with owners:						
Ordinary shares issued through private placement (Note 13)	9,286,499	-	-	-	-	9,286,499
Conversion of ICPS to ordinary shares (Note 14)	26,184	(26,184)	-	-	-	-
Expiration of warrants (Note 16(a))	-	-	-	(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	-	-	-	-	(17,454,701)	(17,454,701)
Realisation of the revaluation reserve (Note 15)	-	-	(32,204)	-	32,204	-
Total comprehensive loss for the year	-	-	(32,204)	-	(17,422,497)	(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
At 1 May 2022	123,650,845	6,096,117	2,683,713	1,351,163	(49,045,636)	84,736,202
Transactions with owners:						
Conversion of ICPS to ordinary shares (Note 14)	1,945,597	(1,945,597)	-	-	-	-
Total transactions with owners	1,945,597	(1,945,597)	-	-	-	-
Loss after taxation	-	-	-	-	(6,644,654)	(6,644,654)
Realisation of the revaluation reserve (Note 15)	-	-	(82,327)	-	82,327	-
Total comprehensive loss for the year	-	-	(82,327)	-	(6,562,327)	(6,644,654)
At 30 April 2023	125,596,442	4,150,520	2,601,386	1,351,163	(55,607,963)	78,091,548

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

STATEMENTS OF CHANGES IN EQUITY

for the Year Ended 30 April 2023

(CONT'D)

	Attributable to Owners of the Company				
	Share Capital RM	Irredeemable Convertible Preference Shares RM	Revaluation Reserve RM	Warrant Reserve RM	Accumulated Losses RM
<i>Company</i>					
At 1 May 2021	114,338,162	6,122,301	2,715,917	6,074,836	(30,192,379)
<i>Transactions with owners:</i>					
Ordinary shares issued through private placement (Note 13)	9,286,499	-	-	-	-
Conversion of ICPS to ordinary shares (Note 14)	26,184	(26,184)	-	-	-
Expiration of warrants (Note 16(a))	-	-	-	(4,723,673)	4,723,673
Total transactions with owners	9,312,683	(26,184)	-	(4,723,673)	4,723,673
Loss after taxation	-	-	-	-	(15,271,032)
Realisation of the revaluation reserve (Note 15)	-	-	(32,204)	-	32,204
Total comprehensive loss for the year	-	-	(32,204)	-	(15,238,828)
At 30 April 2022	123,650,845	6,096,117	2,683,713	1,351,163	(40,707,534)
At 1 May 2022	123,650,845	6,096,117	2,683,713	1,351,163	(40,707,534)
<i>Transactions with owners:</i>					
Conversion of ICPS to ordinary shares (Note 14)	1,945,597	(1,945,597)	-	-	-
Total transactions with owners	1,945,597	(1,945,597)	-	-	-
Loss after taxation	-	-	-	-	(4,872,862)
Realisation of the revaluation reserve (Note 15)	-	-	(82,327)	-	82,327
Total comprehensive loss for the year	-	-	(82,327)	-	(4,790,535)
At 30 April 2023	125,596,442	4,150,520	2,601,386	1,351,163	(45,498,069)
					88,201,442

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

STATEMENTS OF CASH FLOWS

for the Year Ended 30 April 2023

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(6,707,600)	(17,772,266)	(4,936,093)	(15,588,597)
<i>Adjustments for:</i>				
Amortisation of intangible assets	2,895,534	2,587,199	2,105,534	1,797,199
Depreciation of property, plant and equipment	399,075	721,046	177,471	179,961
Gain on disposal of property, plant and equipment	(127,202)	–	–	–
Impairment losses on intangible assets	850,000	–	850,000	–
Impairment losses on quoted shares	189,419	655,235	189,419	655,235
Interest expenses	21,465	36,102	–	–
Interest income	(375,319)	(1,148,592)	(373,534)	(1,147,406)
Loss on disposal of quoted shares	344,012	8,780,469	344,012	8,780,469
Net allowance/(reversal) of impairment on receivables and deposits	149,608	(97,808)	149,608	(62,571)
<i>Operating loss before working capital changes</i>	(2,361,008)	(6,238,615)	(1,493,583)	(5,385,710)
(Increase)/Decrease in receivables	(11,311,746)	12,775,085	(11,734,613)	13,040,730
(Decrease)/Increase in payables	(1,011,720)	897,976	(909,749)	930,477
Increase in amount owing by subsidiary companies	–	–	(454,120)	(1,456,624)
<i>Cash (used in)/generated from operations</i>	(14,684,474)	7,434,446	(14,592,065)	7,128,873
Tax paid	(88,750)	(247,940)	(62,500)	(184,612)
<i>Net cash (used in)/ generated from operating activities</i>	(14,773,224)	7,186,506	(14,654,565)	6,944,261

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

STATEMENTS OF CASH FLOWS

for the Year Ended 30 April 2023

(CONT'D)

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	375,319	1,148,592	373,534	1,147,406
Investment in quoted shares	(13,404,687)	(77,862,792)	(13,404,687)	(77,862,792)
Investment in a subsidiary	–	–	(400,000)	–
Purchase of property, plant and equipment	(16,343)	(56,092)	(16,343)	(56,092)
Purchase of intangible assets	(11,700,000)	–	(11,700,000)	–
Proceeds from disposal of property, plant and equipment	56,675	–	–	–
Proceeds from disposal of quoted shares	11,100,675	72,588,764	11,100,675	72,588,764
<i>Net cash used in investing activities</i>	(13,588,361)	(4,181,528)	(14,046,821)	(4,182,714)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(21,465)	(36,102)	–	–
Proceeds from issuance of convertible ordinary shares through conversion of irredeemable preference shares to ordinary shares, net of share issuance expenses	1,945,597	26,184	1,945,597	26,184
Conversion of irredeemable convertible preference shares to ordinary shares	(1,945,597)	(26,184)	(1,945,597)	(26,184)
Proceeds from issuance of ordinary shares through private placement	–	9,286,499	–	9,286,499
Repayment of finance lease payables (Note 29)	(264,985)	(274,818)	–	–
<i>Net cash (used in)/generated from financing activities</i>	(286,450)	8,975,579	–	9,286,499
<i>Net (decrease)/increase in cash and cash equivalents</i>	(28,648,035)	11,980,557	(28,701,386)	12,048,046
<i>Cash and cash equivalents at the beginning of the financial year</i>	73,520,654	61,540,097	73,219,203	61,171,157
<i>Cash and cash equivalents at the end of year (Note A)</i>	44,872,619	73,520,654	44,517,817	73,219,203
NOTES TO STATEMENTS OF CASH FLOWS				
(A) Cash and cash equivalents comprise:				
Fixed deposits (Note 12)	44,714,379	72,261,318	44,598,475	72,147,189
Cash and bank balances	548,769	1,259,336	309,871	1,072,014
Bank overdraft (Note 21)	(390,529)	–	(390,529)	–
	44,872,619	73,520,654	44,517,817	73,219,203

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

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 Securities.

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 2022.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(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>
Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101, Presentation of financial statements Non current liabilities with covenants	1 January 2024
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date yet to be confirmed

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 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

- 30 April 2023

(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

- 30 April 2023

(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.

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

- 30 April 2023

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(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)**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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(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)**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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

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

Financial liabilities (Cont'd)

The categories of financial liabilities at initial recognition are as follows (Cont'd):

a. Fair value through profit or loss (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Financial Instruments (Cont'd)***(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

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

- 30 April 2023

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment (Cont'd)

(i) *Financial Assets (Cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Impairment (Cont'd)***(ii) Non-financial Assets (Cont'd)*

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Fair Value Measurement (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

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

- 30 April 2023

(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

- 30 April 2023

(CONT'D)

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

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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(q) Cash And Cash Equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, bank overdraft 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

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 2023 were RM1,565,037 (2022: 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.

(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 32(c)* to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(b) Key Sources of Estimation Uncertainty (Cont'd)****(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

- 30 April 2023

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5. PROPERTY, PLANT AND EQUIPMENT

	At Valuation		At Cost					Total RM
	Buildings RM	Freehold buildings RM	Computers RM	Furniture, fittings and equipment RM	Motor vehicle RM	Renovation RM		
Group								
Cost/Valuation								
At 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	
Additions	-	-	12,279	4,064	-	-	16,343	
Disposal	-	-	-	-	(336,488)	-	(336,488)	
At 30 April 2023	7,500,000	1,299,480	1,098,951	240,135	2,643,725	271,668	13,053,959	
Accumulated depreciation								
At 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	
Charge for the year	140,783	-	20,190	12,045	220,887	5,170	399,075	
Disposal	-	-	-	-	(336,487)	-	(336,487)	
At 30 April 2023	521,198	-	1,076,073	203,080	2,362,919	256,258	4,419,528	
Net carrying amount								
At 30 April 2023	6,978,802	1,299,480	22,878	37,055	280,806	15,410	8,634,431	
At 30 April 2022	7,119,585	1,299,480	30,789	45,036	501,694	20,580	9,017,164	

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(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 2021	7,500,000	1,053,570	205,135	258,068	9,016,773
Additions	–	33,102	9,390	13,600	56,092
At 30 April 2022	7,500,000	1,086,672	214,525	271,668	9,072,865
Additions	–	12,279	4,064	–	16,343
At 30 April 2023	7,500,000	1,098,951	218,589	271,668	9,089,208
<i>Accumulated depreciation</i>					
At 1 May 2021	230,415	1,042,709	161,353	246,022	1,680,499
Charge for the year	150,000	13,174	11,721	5,066	179,961
At 30 April 2022	380,415	1,055,883	173,074	251,088	1,860,460
Charge for the year	140,783	20,190	11,328	5,170	177,471
At 30 April 2023	521,198	1,076,073	184,402	256,258	2,037,931
<i>Net carrying amount</i>					
At 30 April 2023	6,978,802	22,878	34,187	15,410	7,051,277
At 30 April 2022	7,119,585	30,789	41,451	20,580	7,212,405

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

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

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

	<i>Group and Company</i>	
	2023	2022
	RM	RM
Buildings		
Cost	3,994,400	3,994,400
Less: Accumulated depreciation	(277,583)	(200,149)
	3,716,817	3,794,251

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

	<i>Group</i>	
	2023	2022
	RM	RM
Motor vehicles	280,805	479,044

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

6. INTANGIBLE ASSETS

<i>Group</i>	Mobile TAC Solution RM	Mobile Game Platform RM	Website Solution Platform RM	Property Management Platform RM	Premium Mobile Content Platform RM	Bulk SMS Platform RM	Total RM
<i>Cost</i>							
At 1 May 2021 and 30 April 2022 Additions	3,400,000	2,350,000	3,236,000	3,950,000	6,800,000	4,900,000	12,936,000
	-	-	-	-	-	-	11,700,000
At 30 April 2023	3,400,000	2,350,000	3,236,000	3,950,000	6,800,000	4,900,000	24,636,000
<i>Accumulated amortisation</i>							
At 1 May 2021	1,190,000	822,500	215,734	460,833	-	-	2,689,067
Charge for the year	680,000	470,000	647,199	790,000	-	-	2,587,199
At 30 April 2022	1,870,000	1,292,500	862,933	1,250,833	-	-	5,276,266
Charge for the year	680,000	470,000	647,200	790,000	226,667	81,667	2,895,534
At 30 April 2023	2,550,000	1,762,500	1,510,133	2,040,833	226,667	81,667	8,171,800
<i>Accumulated impairment losses</i>							
At 1 May 2021 and 30 April 2022 Impairment for the year	-	-	-	-	-	-	-
	850,000	-	-	-	-	-	850,000
At 30 April 2023	850,000	-	-	-	-	-	850,000
<i>Net carrying amount</i>							
At 30 April 2023	-	587,500	1,725,867	1,909,167	6,573,333	4,818,333	15,614,200
At 30 April 2022	1,530,000	1,057,500	2,373,067	2,699,167	-	-	7,659,734

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6. INTANGIBLE ASSETS (CONT'D)

<i>Company</i>	Mobile TAC Solution RM	Mobile Game Platform RM	Website Solution Platform RM	Premium Mobile Content Platform RM	Bulk SMS Platform RM	Total RM
<i>Cost</i>						
At 1 May 2021 and 30 April 2022	3,400,000	2,350,000	3,236,000	-	-	8,986,000
Additions	-	-	-	6,800,000	4,900,000	11,700,000
At 30 April 2023	3,400,000	2,350,000	3,236,000	6,800,000	4,900,000	20,686,000
<i>Accumulated amortisation</i>						
At 1 May 2021	1,190,000	822,500	215,734	-	-	2,228,234
Charge for the year	680,000	470,000	647,199	-	-	1,797,199
At 30 April 2022	1,870,000	1,292,500	862,933	-	-	4,025,433
Charge for the year	680,000	470,000	647,200	226,667	81,667	2,105,534
At 30 April 2023	2,550,000	1,762,500	1,510,133	226,667	81,667	6,130,967
<i>Accumulated impairment losses</i>						
At 1 May 2021 and 30 April 2022	-	-	-	-	-	-
Impairment for the year	850,000	-	-	-	-	850,000
At 30 April 2023	850,000	-	-	-	-	850,000
<i>Net carrying amount</i>						
At 30 April 2023	-	587,500	1,725,867	6,573,333	4,818,333	13,705,033
At 30 April 2022	1,530,000	1,057,500	2,373,067	-	-	4,960,567

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

(e) Premium Mobile Content Platform (GO!CPA)

GO!CPA, users is a service that allows its users (content providers) to sell premium mobile content such as coloured wallpapers, coloured animations, coloured greeting cards, videos and mobile games to end consumers who will then be charged. The platform is capable to allow the premium mobile content to be sent via SMS and also be sent digitally through the users' integrated mobile application to the end consumers.

(f) Bulk SMS messaging platform (GO!SMS)

GO!SMS, is a service that allows its users to send bulk SMS to their targeted audience in a reliable, fast and cost efficient manner. GO!SMS platform is used to send push advertisements and marketing content to existing or prospective customers to promote their products and services. The messaging speed of the platform could be capable up to 180 SMS per second.

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7. INVESTMENT IN SUBSIDIARY COMPANIES

	2023 RM	Company 2022 RM
Unquoted shares, at cost	3,555,582	3,555,582
Add: Increase in investment in a subsidiary	400,000	–
Less: Accumulated impairment losses	(2,390,545)	(2,390,545)
	1,565,037	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	
			2023 %	2022 %
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.

The movement of the accumulated impairment losses during the year are as follows:

	2023 RM	Company 2022 RM
At 1 May / 30 April	2,390,545	2,390,545

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

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8. OTHER INVESTMENTS

	<i>Group and Company</i>	
	2023	2022
	RM	RM
Quoted shares in Malaysia, at fair value	1,869,332	98,751

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.

9. TRADE RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade receivables	3,368,537	4,292,699	384,556	979,066
Less: Accumulated impairment losses	(303,160)	(205,574)	(287,700)	(190,114)
	3,065,377	4,087,125	96,856	788,952

The Group's and the Company's normal trade credit terms granted to trade receivables ranging from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The movements of the accumulated impairment losses during the year are as follow:

	<i>Group</i>		<i>Company</i>	
	2023	2022	2023	2022
	RM	RM	RM	RM
At 1 May	205,574	303,382	190,114	252,685
Addition (Note 25)	198,438	–	198,438	–
Reversal (Note 25)	(100,852)	(97,808)	(100,852)	(62,571)
At 30 April	303,160	205,574	287,700	190,114

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.

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10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>Group</i>		<i>Company</i>	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	208,987	229,874	208,507	229,394
Deposits	12,499,791	243,196	12,446,857	97,047
Prepayments	569	369	569	369
	12,709,347	473,439	12,655,933	326,810
Less: Accumulated impairment losses	(52,022)	–	(52,022)	–
	12,657,325	473,439	12,603,911	326,810

The movements of the accumulated impairment losses during the year are as follow:

	<i>Group</i>		<i>Company</i>	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 May	–	–	–	–
Addition (Note 25)	52,022	–	52,022	–
At 30 April	52,022	–	52,022	–

The foreign currency exposure profile is as follows:

	<i>Group and Company</i>	
	2023 RM	2022 RM
United States Dollar	97,690	98,329

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11. AMOUNT OWING BY SUBSIDIARY COMPANIES

	2023 RM	Company 2022 RM
Amount owing by subsidiary companies		
- trade	3,994,987	3,166,947
- non-trade	8,324,374	8,698,294
	12,319,361	11,865,241
Less: Accumulated impairment losses	(1,319,756)	(1,319,756)
	10,999,605	10,545,485

The trade amount is subject to the normal trade credit terms ranged from 30 to 90 days (2022: 30 to 90 days).

The non-trade balances are unsecured, interest-free and recoverable 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:

	2023 RM	Company 2022 RM
At 1 May / 30 April	1,319,756	1,319,756

12. FIXED DEPOSITS

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Fixed deposits with:				
- licensed banks	115,904	114,129	-	-
- non-financial institution	44,598,475	72,147,189	44,598,475	72,147,189
	44,714,379	72,261,318	44,598,475	72,147,189

The fixed deposits with licensed banks and non-financial institution earn effective interest at rate of 2.05% (2022: 1.05%) and 2.75% to 2.85% (2022: 1.85% to 1.95%) per annum respectively and have average maturities range from 90 to 182 (2022: 90 to 182) days.

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13. SHARE CAPITAL

	<i>Group and Company</i> <i>Number of</i> <i>ordinary</i> <i>shares</i> <i>Unit</i>	<i>Amount</i> <i>RM</i>
Issued and fully paid:		
At 1 May 2021	1,758,807,413	114,338,162
Conversion of ICPS to ordinary shares	449,900	26,184
Issued through private placement	527,642,000	9,286,499
At 30 April 2022 / 1 May 2022	2,286,899,313	123,650,845
Conversion of ICPS to ordinary shares	31,939,000	1,858,850
	2,318,838,313	125,509,695
Consolidation of shares	(2,086,954,487)	–
After consolidation of shares	231,883,826	125,509,695
Conversion of ICPS to ordinary shares	149,050	86,747
At 30 April 2023	232,032,876	125,596,442

During the financial year:

- (i) The Company, prior to the share consolidation exercise on 9 November 2022, issued a total of 31,939,000 new ordinary shares at book value of RM0.0582 each arising from conversion of 63,878,000 units of ICPS on the basis of 2 units of ICPS for 1 new ordinary share;
- (ii) On 9 November 2022, the Company completed a share consolidation of every ten (10) ordinary shares into one (1) ordinary share following the listing and quotation of 231,883,826 Consolidated Shares, 14,571,350 Consolidated Irredeemable Convertible Preference Shares and 2,995,923 Consolidated Warrants B on the ACE Market of Bursa Securities; and
- (iii) After the abovementioned share consolidation, the Company issued a total of 149,050 new consolidated ordinary shares at book value of RM0.5820 each arising from conversion of 298,100 units of ICPS on the basis of 2 units of ICPS for 1 new ordinary share.

In the previous financial year, the Company:

- (i) 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; and
- (ii) issued 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.

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

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14. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	<i>Company</i> Number of ICPS Unit	<i>Amount</i> RM
Issued and fully paid:		
At 1 May 2021	210,491,302	6,122,301
Conversion of ICPS to ordinary shares	(899,800)	(26,184)
At 30 April 2022 / 1 May 2022	209,591,502	6,096,117
Conversion of ICPS to ordinary shares	(63,878,000)	(1,858,850)
Consolidation of shares	145,713,502 (131,142,152)	4,237,267 –
After consolidation of shares	14,571,350	4,237,267
Conversion of ICPS to ordinary shares	(298,100)	(86,747)
At 30 April 2023	14,273,250	4,150,520

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:

- (i) A total of 63,878,000 units of ICPS have been converted into 31,939,000 new ordinary shares at book value of RM0.0582 each on the basis of 2 units ICPS for 1 new ordinary share, prior to the share consolidation exercise on 9 November 2022;
- (ii) On 9 November 2022, the Company completed a share consolidation of every ten (10) ordinary shares into one (1) ordinary share following the listing and quotation of 231,883,826 Consolidated Shares, 14,571,350 Consolidated Irredeemable Convertible Preference Shares and 2,995,923 Consolidated Warrants B on the ACE Market of Bursa Securities; and
- (iii) After the abovementioned share consolidation, a total of 298,100 units of consolidated ICPS have been converted into 149,050 new consolidated ordinary shares at book value of RM0.5820 each on the basis of two (2) units of ICPS for 1 new ordinary share.

In the previous financial year, a total of 899,800 units of ICPS have been converted into 449,900 new ordinary shares at book value of RM0.0582 each on the basis of two (2) units of 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;

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14. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONT'D)

Salient features of the ICPS are as follows (Cont'd):

(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.

15. REVALUATION RESERVE

	<i>Group and Company</i>	
	2023	2022
	RM	RM
At 1 May	2,683,713	2,715,917
Realisation of revaluation reserve of leasehold building	(82,327)	(32,204)
At 30 April	2,601,386	2,683,713

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

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16. WARRANT RESERVE**(a) Warrants 2016/2021 ("Warrants A")**

	<i>Company</i>		<i>Amount</i>	
	<i>Number of Warrants A</i>			
	2023	2022	2023	2022
			RM	RM
Issued:				
At 1 May	-	188,946,927	-	4,723,673
Expiration of warrants	-	(188,946,927)	-	(4,723,673)
At 30 April	-	-	-	-

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.

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16. WARRANT RESERVE (CONT'D)

(b) Warrants 2019/2024 ("Warrants B")

	Company		Amount	
	Number of Warrants B 2023	2022	2023 RM	2022 RM
Issued:				
At 1 May	29,959,264	29,959,264	1,351,163	1,351,163
Consolidation of share	(26,963,341)	-	-	-
At 30 April	2,995,923	29,959,264	1,351,163	1,351,163

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

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").

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.

During the financial year, on 9 November 2022, the Company completed a share consolidation of every ten (10) ordinary shares into one (1) ordinary share following the listing and quotation of 231,883,826 Consolidated Shares, 14,571,350 Consolidated Irredeemable Convertible Preference Shares and 2,995,923 Consolidated Warrants B on the ACE Market of Bursa Securities.

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16. WARRANT RESERVE (CONT'D)**(c) Warrant ('Warrants C')**

Following the completion of the share consolidation on 9 November 2022 as disclosed on Note 13(ii), the Company has issued 86,955,690 new warrants ("Warrants C") on the basis of 3 Warrants C for every 8 existing consolidated ordinary shares in the Company pursuant to the bonus issue of new warrants and completed the exercise following the listing of and quotation for the Warrants C on the ACE Market of Bursa Securities on 23 November 2022.

The Warrants C are constituted under Deed Poll C executed by the Company.

The salient features of the Warrants C are as follow:

- (i) Each Warrants C entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.09 during the three (3) year period expiring on 13 November 2025 ("Exercise Period"), subject to the adjustments in accordance with the provisions of the Deed Poll C;
- (ii) At the expiry of the Exercise Period, any Warrants C which have not been exercised will thereafter lapse and cease to be valid;
- (iii) The exercise price and/or the number of unexercised Warrants C shall be adjusted in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants C by reason of any issue of shares, consolidation, subdivision or capital reduction in accordance with the provisions of the Deed Poll C;
- (iv) Warrant C holders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then exiting shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The bonus issue of new warrants were at Nil consideration without capitalizing the retained earnings or reserves of the Company.

As at 30 April 2023, the total number of Warrants C that remain unexercised was 86,955,690.

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17. LEASE LIABILITIES

The lease liabilities are repayable as follows:

	Minimum lease payments RM	Group Future finance charges RM	Net present value RM
2023			
<i>Shown under current liabilities</i>			
Within 1 year	245,722	(8,731)	236,991
<i>Shown under non-current liabilities</i>			
Between 2 to 5 years	85,153	(1,110)	84,043
	330,875	(9,841)	321,034
2022			
<i>Shown under current liabilities</i>			
Within 1 year	310,920	(22,991)	287,929
<i>Shown under non-current liabilities</i>			
Between 2 to 5 years	379,730	(11,112)	368,618
	690,650	(34,103)	656,547

The lease liabilities bear effective interest at rates ranging from 4.53% to 5.05% (2022: 4.53% to 5.05%) per annum.

18. DEFERRED TAX LIABILITIES

	Group and Company 2023 RM	2022 RM
At 1 May	880,498	891,063
Recognised to profit or loss (Note 26)	(27,817)	(10,565)
At 30 April	852,681	880,498

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

	Group and Company 2023 RM	2022 RM
Revaluation of assets		
At 1 May	880,498	891,063
Realisation of revaluation reserve	(27,817)	(10,565)
At 30 April	852,681	880,498

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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 (2022: 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>	
	2023	2022
	RM	RM
United States Dollar	241	249

20. OTHER PAYABLES AND ACCRUALS

	<i>Group</i>		<i>Company</i>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables	3,759,802	4,371,402	3,537,887	4,124,456
Accruals	119,276	133,440	79,540	93,932
Deferred income	672,690	666,647	–	20,531
	4,551,768	5,171,489	3,617,427	4,238,919

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.

21. BANK OVERDRAFT

The bank overdraft bears interest on its outstanding balance at the rate of 1.25% above the lender bank's Base Lending Rate. As such, the Company bore a floating interest rate of 8.10% per annum at the end of the reporting period (2022: 6.85%).

The bank overdraft is secured by registered first party first charge, open charge over all the buildings of the Company as disclosed in Note 5.

22. REVENUE

	<i>Group</i>		<i>Company</i>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Recognised at a point in time				
- Mobile applications	910,065	1,854,790	691,645	1,331,919
- Wireless and multimedia related services	11,525,538	13,170,413	217,300	358,849
	12,435,603	15,025,203	908,945	1,690,768

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23. OTHER OPERATING INCOME

	<i>Group</i>		<i>Company</i>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest income	375,319	1,148,592	373,534	1,147,406
Management fee	–	–	808,677	808,677
Rental income	104,425	104,425	104,425	104,425
Gain on disposal of plant and equipment	127,202	–	–	–
Other income	195,455	42,800	195,455	20,000
	802,401	1,295,817	1,482,091	2,080,508

24. FINANCE COSTS

	<i>Group</i>	
	2023	2022
	RM	RM
Finance lease interest	21,465	36,102

25. LOSS BEFORE TAXATION

	<i>Group</i>		<i>Company</i>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other than disclosed in Note 23 and 24, loss before taxation is arrived at after charging/(crediting):				
Amortisation of intangible assets (Note 6)	2,895,534	2,587,199	2,105,534	1,797,199
Auditors' remuneration				
- current year's provision	83,000	82,500	56,000	55,500
- over-provision in respect of prior year	(4,000)	(2,500)	(3,500)	(2,500)
Depreciation of property, plant and equipment (Note 5)	399,075	721,046	177,471	179,961
Loss on disposal of quoted shares	344,012	8,780,469	344,012	8,780,469
Impairment losses on quoted shares	189,419	655,235	189,419	655,235
Impairment losses on intangible assets	850,000	–	850,000	–
Loss on foreign exchange				
- realised	–	390	–	390
Net allowance/(reversal) of impairment on financial assets				
- trade receivables (Note 9)	97,586	(97,808)	97,586	(62,571)
- deposits (Note 10)	52,022	–	52,022	–
Professional fee	867,843	4,707,213	334,892	4,022,850
Rental of office equipment	171,292	201,819	171,291	201,819
Employee benefit expenses (Note 28)	2,225,739	2,581,988	1,321,622	1,598,230

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26. INCOME TAX EXPENSE

	<i>Group</i>		<i>Company</i>	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysian income tax:				
- current year's provision	–	70,000	–	70,000
- over-provision in prior year	(35,129)	(377,000)	(35,414)	(377,000)
	(35,129)	(307,000)	(35,414)	(307,000)
Deferred tax (Note 18):				
- current year's provision	(17,764)	(10,565)	(17,764)	(10,565)
- over-provision in prior year	(10,053)	–	(10,053)	–
	(27,817)	(10,565)	(27,817)	(10,565)
	(62,946)	(317,565)	(63,231)	(317,565)
	<i>Group</i>		<i>Company</i>	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before taxation	(6,707,600)	(17,772,266)	(4,936,093)	(15,588,597)
Income tax expense at Malaysian statutory tax rate of 24%	(1,609,824)	(4,265,344)	(1,184,662)	(3,741,263)
Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	1,182,446	4,088,810	929,646	3,805,388
- income not subject to tax	(78,054)	–	(52,061)	–
- deferred tax assets not recognised during the year	505,432	246,534	307,077	5,875
- over-provision of deferred tax liabilities in respect of prior year	(10,053)	–	(10,053)	–
- realisation of deferred tax liabilities arising from revaluation reserve	(17,764)	(10,565)	(17,764)	(10,565)
	1,582,007	4,324,779	1,156,845	3,800,698
Over-provision of taxation in respect of prior year	(35,129)	(377,000)	(35,414)	(377,000)
	(62,946)	(317,565)	(63,231)	(317,565)

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26. 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>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation	(55,444)	(65,363)	(38,189)	(46,338)
Unutilised capital allowances	94,816	61,075	84,203	61,075
Unabsorbed business losses	4,347,628	2,285,325	1,737,328	489,115
	4,387,000	2,281,037	1,783,342	503,852

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.

27. LOSS PER SHAREBasic Loss Per Share

The basic loss per ordinary share as at 30 April 2023 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:

	<i>Group</i>	
	2023	2022
	RM	RM
Loss after taxation attributable to owners of the Company (RM)	(6,644,654)	(17,454,701)
Weighted average ordinary shares issued as at 30 April 2023 and 30 April 2022 *	230,496,111	183,565,378
Basic loss per share (Sen)	(2.88)	(9.51)

* The weighted average number of issued ordinary shares has been adjusted to reflect the adjustments arising from the share consolidation, which was completed on 8 November 2022 with the comparatives being restated accordingly.

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.

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28. EMPLOYEE BENEFIT EXPENSES

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

	<i>Group</i>		<i>Company</i>	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, fees and allowances	1,970,920	2,266,628	1,182,594	1,408,558
Defined contribution plan	216,588	250,870	118,890	140,098
Other employee benefits	38,231	64,490	20,138	49,574
	2,225,739	2,581,988	1,321,622	1,598,230

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>	
	2023 RM	2022 RM
Directors of the Company		
Directors' remuneration:		
- fees and meeting allowance	183,000	180,000
- Salaries and other emoluments	286,251	348,083

29. 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 1 May RM	Cash flow RM	Non-cash changes RM	As at 30 April RM
<i>Group</i>				
2023				
Finance lease payables	656,547	(264,985)	(70,528)	321,034
2022				
Finance lease payables	931,365	(274,818)	–	656,547

Bank overdrafts form part of the cash and cash equivalents, therefore, no movement is presented.

The non-cash changes are relating to a lease liability settled by the purchaser in respect of plant and equipment disposed during the financial year.

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30. 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.

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30. OPERATING SEGMENTS (CONT'D)

(i) Business Segments

	Mobile application RM	Wireless and multimedia related services RM	Others RM	Elimination RM	Total RM
<i>Group</i> 2023					
Revenue					
External revenue	910,065	11,525,538	–	–	12,435,603
Total revenue	910,065	11,525,538	–	–	12,435,603
Results					
Segment results	(680,137)	(6,381,317)	–	–	(7,061,454)
Interest income	27,467	347,852	–	–	375,319
Finance costs	(1,571)	(19,894)	–	–	(21,465)
Loss before taxation	(654,241)	(6,053,359)	–	–	(6,707,600)
Income tax expense	4,606	58,340	–	–	62,946
Loss after taxation	(649,635)	(5,995,019)	–	–	(6,644,654)
Assets					
Segment assets	6,425,975	81,381,907	–	–	87,807,882
Liabilities					
Segment liabilities	648,662	8,214,991	–	–	8,863,653
Unallocated liabilities	–	–	852,681	–	852,681
Total liabilities	648,662	8,214,991	852,681	–	9,716,334
Other information					
Amortisation	(211,902)	(2,683,632)	–	–	(2,895,534)
Depreciation	(29,205)	(369,870)	–	–	(399,075)
Impairment losses on quoted shares	(13,862)	(175,557)	–	–	(189,419)
Impairment losses on intangible assets	(62,205)	(787,795)	–	–	(850,000)
Allowance of impairment on financial assets	(10,949)	(138,659)	–	–	(149,608)

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30. 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</i> 2022					
Revenue					
External revenue	1,854,790	13,170,413	–	–	15,025,203
Total revenue	1,854,790	13,170,413	–	–	15,025,203
Results					
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)
Assets					
Segment assets	11,781,252	83,655,805	–	–	95,437,057
Liabilities					
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
Other information					
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

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

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30. OPERATING SEGMENTS (CONT'D)**(ii) Major Customers**

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

	2023	<i>Group</i>
	RM	2022
		RM
Company A	782,235	1,721,437
Company B	5,387,023	7,609,752
Company C	2,447,347	1,812,985

31. 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:

	2023	<i>Company</i>
	RM	2022
		RM
Management fees received from a subsidiary company	808,677	808,677

(c) Compensation of key management personnel

Remuneration of directors are as follows:

	2023	<i>Group and Company</i>
	RM	2022
		RM
Short term employee benefits	469,251	528,083

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32. 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>	
2023	
Other receivables, deposits and prepayments	97,690
Trade payables	(241)
	97,449
2022	
Other receivables, deposits and prepayments	98,329
Trade payables	(249)
	98,080

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32. 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>	
	2023	2022
	RM	RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on profit after tax/equity		
Strengthened by 10%		
- USD	7,406	7,454
Weakened by 10%		
- USD	(7,406)	(7,454)

(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.

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32. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(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 Securities. 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 RM186,933 (2022: RM9,875). A 10% decrease in market price would have had equal but opposite effect on equity.

(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.

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32. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)**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>	
	2023 RM	2022 RM	2023 RM	2022 RM
Not past due	3,018,446	3,256,386	93,846	249,774
Past due but not impaired:				
- less than 3 months	43,790	283,888	-	2,121
- 3 to 6 months	3,189	1,089	-	-
- more than 6 months	303,113	751,336	290,711	727,171
	350,092	1,036,313	290,711	729,292
Individually impaired	(296,371)	(98,271)	(287,701)	(89,601)
Expected credit loss	(6,790)	(107,303)	-	(100,513)
	3,065,377	4,087,125	96,856	788,952

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.

(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.

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32. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity and Cash Flow Risks (Cont'd)

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
<i>Group</i>						
2023						
Trade payables	-	3,600,322	3,600,322	3,600,322	-	-
Other payables and accruals	-	4,551,768	4,551,768	4,551,768	-	-
Finance lease payables	4.53% - 5.05%	321,034	330,875	245,722	85,153	-
Bank overdraft	8.10%	390,529	390,529	390,529	-	-
		8,863,653	8,873,494	8,788,341	85,153	-
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	4.53% - 5.05%	656,547	690,650	310,920	301,540	78,190
		9,820,357	9,854,460	9,474,730	301,540	78,190
<i>Company</i>						
2023						
Trade payables	-	183,236	183,236	183,236	-	-
Other payables and accruals	-	3,617,427	3,617,427	3,617,427	-	-
Bank overdraft	8.10%	390,529	390,529	390,529	-	-
		4,191,192	4,191,192	4,191,192	-	-
2022						
Trade payables	-	471,493	471,493	471,493	-	-
Other payables and accruals	-	4,238,919	4,238,919	4,238,919	-	-
		4,710,412	4,710,412	4,710,412	-	-

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32. FINANCIAL INSTRUMENTS (CONT'D)**(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, lease liabilities, 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>	
	2023 RM	2022 RM	2023 RM	2022 RM
Lease liabilities	321,034	656,547	–	–
Less: Cash and cash equivalents	(44,872,619)	(73,520,654)	(44,517,817)	(73,219,203)
Net debt	(44,551,585)	(72,864,107)	(44,517,817)	(73,219,203)
Total equity	78,091,548	84,736,202	88,201,442	93,074,304
Debt-to-equity ratio	N/A	N/A	N/A	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.

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32. 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
Financial assets			
2023			
Group			
Other investments	1,869,332	–	1,869,332
Trade and other receivables (excluding prepayments)	15,722,133	15,722,133	–
Fixed deposits	44,714,379	44,714,379	–
Cash and bank balances	548,769	548,769	–
Company			
Other investments	1,869,332	–	1,869,332
Trade and other receivables (excluding prepayments)	12,700,198	12,700,198	–
Amount owing by subsidiary companies	10,999,605	10,999,605	–
Fixed deposits	44,598,475	44,598,475	–
Cash and bank balances	309,871	309,871	–
Financial liabilities			
2023			
Group			
Trade and other payables	8,152,090	8,152,090	
Lease liabilities	321,034	321,034	
Bank overdraft	390,529	390,529	
Company			
Trade and other payables	3,800,663	3,800,663	
Bank overdraft	390,529	390,529	

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32. FINANCIAL INSTRUMENTS (CONT'D)**(c) Classification of Financial Instruments (Cont'd)**

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows (Cont'd):

	Carrying amount RM	AC RM	FVTPL RM
Financial assets			
2022			
Group			
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	–
Company			
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
Financial liabilities			
2022			
Group			
Trade and other payables		9,163,810	9,163,810
Lease liabilities		656,547	656,547
Company			
Trade and other payables		4,710,412	4,710,412

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

32. 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 lease liabilities

The fair values of long-term lease liabilities are determined by the present value of future principal and interest cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting date. There is no material difference between the fair values and carrying values of these liabilities as at the reporting date.

(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 2023 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>	
	RM	RM
	2023	2022
<u>Level 1</u>		
Quoted shares	1,869,332	98,751

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 2023.

NOTES TO THE FINANCIAL STATEMENTS

- 30 April 2023

(CONT'D)

33. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 26 May 2022, one of the Company's subsidiary company, Moblife.TV Sdn. Bhd. 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.

On 9 November 2022, the Company had completed a Share Consolidation exercise on the basis of every 10 existing ordinary shares in MNC ("MNC Shares" or "Shares") into 1 MNC Share ("Consolidated Shares") following the listing and quotation of 231,883,826 Consolidated Shares, 14,571,350 Consolidated Irredeemable Convertible Preference Shares and 2,995,923 Consolidated Warrants B on the ACE Market of Bursa Securities.

After the completion of the Consolidation of Share, the Company, has undertaken a bonus issue of 86,955,690 new warrants ("Warrants C") on the basis of 3 Warrants C for every 8 existing consolidated ordinary shares in the Company and completed the exercise following the listing of and quotation for the Warrants C on the ACE Market of Bursa Securities on 23 November 2022. The bonus issue of Warrants C was undertaken without any capitalisation from the reserves of the Company and that the new Warrants C were issued at Nil consideration.

34. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 18 August 2023 by the Board of Directors.

LIST OF PROPERTIES

as at 30 April 2023

No.	Location	Description / Existing Use	Tenure	Date of Revaluation	Land Area (Square meter)	Age of Building	Net Carrying Value as at 30.04.2023 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	9 years	RM 2,465,843
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	9 years	RM2,465,843
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	9 years	RM2,047,115

ANALYSIS OF SHAREHOLDINGS

as at 31 July 2023

Total Number of Issued Shares : 233,018,876 ordinary shares
 Class of Shares : Ordinary shares
 Voting Rights : One (1) vote for every ordinary share held
 Number of Shareholders : 3,638

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	Percentage (%)	No. of Shares	Percentage (%)
1-99	739	20.31	18,070	0.01
100-1,000	559	15.37	326,266	0.14
1,001-10,000	1,341	36.86	7,407,280	3.18
10,001-100,000	822	22.59	28,176,660	12.09
100,001-11,650,942(*)	174	4.78	144,272,241	61.91
11,650,943 and above(**)	3	0.08	52,818,359	22.67
TOTAL	3,638	100.00	233,018,876	100.00

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 31 July 2023)

Name of Substantial Shareholders	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
Ho Jien Shiung	26,708,533	11.46	—	—
Metronic Global Berhad	13,735,640	5.89	—	—
Datuk Tan Chor How Christopher	13,338,333	5.72	—	—

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 31 July 2023)

Name of Directors	← Direct Interest →		← Indirect Interest →	
	No. of Shares	%	No. of Shares	%
Datuk Tan Chor How Christopher	13,338,333	5.72	—	—
Wong Kok Seong	—	—	—	—
Thu Soon Shien	—	—	—	—
Pang Siaw Sian	—	—	—	—
Dato' Muhammad Shuib Bin Md Hashim	—	—	—	—

ANALYSIS OF SHAREHOLDINGS

as at 31 July 2023

(CONT'D)

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 31 JULY 2023

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

No.	Investor Name	No. of Shares Held	%
1.	Ho Jien Shiung	26,708,533	11.46
2.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Metronic Global Berhad</i>	13,735,640	5.89
3.	CGS-CIMB Nominees (Asing) Sdn. Bhd. <i>Exempt an for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)</i>	12,374,186	5.31
4.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for Morgan Stanley & Co. International PLC (IPB Client ACCT)</i>	11,378,044	4.88
5.	Datuk Tan Chor How Christopher	8,833,333	3.79
6.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for BNP Paribas (LONPBCLR-3PTY)</i>	8,571,280	3.68
7.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Barclays Bank PLC (Re Equities)</i>	7,278,530	3.12
8.	Sanichi Technology Berhad	7,252,729	3.11
9.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt an for Standard Chartered Bank Singapore (EFGBHK-ASING)</i>	5,934,100	2.55
10.	Sersol Marketing Sdn. Bhd.	4,724,500	2.03
11.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Datuk Tan Chor How Christopher</i>	4,505,000	1.93
12.	Arena Evolusi Sdn. Bhd.	4,404,870	1.89
13.	G Rubber Sdn. Bhd.	3,357,300	1.44
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Kok Hui</i>	3,149,000	1.35
15.	Chai Kok Kheang	3,109,000	1.33
16.	Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Seik Yee Kok</i>	3,008,000	1.29
17.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tay Hock Soon (MY1055)</i>	2,937,700	1.26
18.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for the Hongkong and Shanghai Banking Corporation Limited (GCHK-Lazarus)</i>	2,525,530	1.08
19.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Pang Chow Huat</i>	2,365,000	1.01
20.	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. <i>for Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund</i>	2,000,000	0.86
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kwong Ming Kwei (08KW032ZQ-008)</i>	1,893,300	0.81
22.	Sun Chee Liang	1,790,850	0.77
23.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cita Realiti Sdn. Bhd.</i>	1,718,000	0.74
24.	Cita Realiti Sdn. Bhd.	1,556,170	0.67
25.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Gan Boon Guat (028)</i>	1,514,700	0.65
26.	Lai Yee Voon	1,270,000	0.55
27.	Chan Chen Kit	1,150,000	0.49
28.	Wong Wee Fong	1,075,000	0.46
29.	RHB Nominees (Tempatan) Sdn. Bhd. <i>RHB Asset Management Sdn. Bhd. for Pooi Weng Keong</i>	1,045,400	0.45
30.	Ken Resources Sdn. Bhd.	1,030,000	0.44

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS

as at 31 July 2023

No of ICPS 2019/2024 Issued	:	14,248,250
No. of ICPS Holders	:	258
Exercise/Conversion Price	:	RM0.60
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	11	4.26	280	0.00
100 – 1,000	15	5.81	9,100	0.06
1,001 – 10,000	82	31.78	548,580	3.85
10,001 – 100,000	131	50.78	4,837,880	33.95
100,001 – 712,411 (*)	17	6.59	4,140,780	29.06
712,412 and above (**)	2	0.78	4,711,630	33.07
TOTAL	258	100.00	14,248,250	100.00

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 31 July 2023)

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

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS
as at 31 July 2023
(CONT'D)

LIST OF THIRTY LARGEST ICPS HOLDERS AS AT 31 JULY 2023

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

No.	Investor Name	No. of ICPS Held	%
1.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Barclays Bank Plc (Re Equities)</i>	3,000,000	21.06
2.	Kong Kok Keong	1,711,630	12.01
3.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kong Yau Leng (E-SS2)</i>	707,300	4.96
4.	Tan Wee Chong	430,000	3.02
5.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Tho Kwai Kuan</i>	381,000	2.67
6.	Chan Huan Chai	350,000	2.46
7.	Chan Boon Yok	346,000	2.43
8.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Chuan Dyi (6000364)</i>	243,300	1.71
9.	Kong Yau Leng	242,700	1.70
10.	Teoh Wah Chuan	200,000	1.40
11.	Tok Boon Seong	198,520	1.39
12.	Hian Bee Geok	159,050	1.12
13.	Chua Lee Guan	150,000	1.05
14.	Tan Chin Kok	150,000	1.05
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chai Nam Fah</i>	144,530	1.01
16.	Lim Poh Fong	113,400	0.80
17.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Wong Yee Ling</i>	113,000	0.79
18.	Loh Sai Eng	107,980	0.76
19.	Chan Huan Joo	104,000	0.73
20.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Soon Heng (100580)</i>	100,000	0.70
21.	Chia Ong Leong	100,000	0.70
22.	Chia Song Swa	100,000	0.70
23.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung (6000173)</i>	95,000	0.67
24.	Goh Seng Huat	90,000	0.63
25.	Tho Kwai Kuan	90,000	0.63
26.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tee Hiap Loon (E-BPJ)</i>	80,000	0.56
27.	Wong Ming Choo	78,060	0.55
28.	Loh Yoo Ming	76,240	0.54
29.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Koay Phaik Suan (DRB Hicom-C L)</i>	75,000	0.53
30.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Gan Kah Gy</i>	75,000	0.53

ANALYSIS OF WARRANTS B HOLDINGS

as at 31 July 2023

Type of Securities	:	Warrant 2019/2024 ("Warrants B")
No. of Warrant B Issued	:	2,995,923
No. of Warrants B Holders	:	200
Exercise Price	:	RM0.60
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	20	10.00	553	0.02
100-1,000	77	38.50	31,877	1.06
1,001-10,000	66	33.00	260,296	8.69
10,001-100,000	29	14.50	999,824	33.37
100,001-149,795(*)	2	1.00	274,280	9.16
149,796 and above(**)	6	3.00	1,429,093	47.70
TOTAL	200	100.00	2,995,923	100.00

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 31 July 2023)

Name of Directors	Direct		Indirect	
	No. of Warrants B	%	No. of Warrants B	%
Datuk Tan Chor How Christopher	533,333	17.80	—	—
Wong Kok Seong	—	—	—	—
Thu Soon Shien	—	—	—	—
Pang Siaw Sian	—	—	—	—
Dato' Muhammad Shuib Bin Md Hashim	—	—	—	—

ANALYSIS OF WARRANTS B HOLDINGS

as at 31 July 2023

(CONT'D)

LIST OF THIRTY LARGEST WARRANTS B HOLDERS AS AT 31 JULY 2023

(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	533,333	17.80
2.	Gan Keng Meng	210,000	7.01
3.	Chan Boon Yok	201,200	6.72
4.	Chan Huan Chai	182,050	6.08
5.	Chan Lee Peng	152,510	5.09
6.	Chan Huan Joo	150,000	5.01
7.	Lee Fook On	140,000	4.67
8.	Rohazifah Binti Samsudin	134,280	4.48
9.	Gan Hoo Sun	100,000	3.34
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Liew Yoon Peck</i>	80,000	2.67
11.	Cheng Boon Sheng	69,200	2.31
12.	Loh Sai Eng	50,620	1.69
13.	Lim Sin Hoong	50,000	1.67
14.	Sofiah Binti Sapiai	50,000	1.67
15.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Sun Ping</i>	50,000	1.67
16.	Oo Lian Booi	48,220	1.61
17.	Ewe Hong Khoon	46,784	1.56
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lai Yee Woon (MY4097)</i>	45,000	1.50
19.	Ang Tian Fu	39,000	1.30
20.	Chern Ah Hoon	30,000	1.00
21.	Lam Ah Choi	30,000	1.00
22.	So Siang Chen	30,000	1.00
23.	Mohd Syukri Bin Mohd Bakri	26,310	0.88
24.	Sahrolanuar Bin Samin	26,000	0.87
25.	Liew Yoon Peck	25,000	0.83
26.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Tai Kuan</i>	23,300	0.78
27.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Chooi Chung Chih</i>	20,000	0.67
28.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Beng Hua</i>	20,000	0.67
29.	Wong Chin Meng	20,000	0.67
30.	Tan Eng Hock	17,500	0.58

ANALYSIS OF WARRANTS C HOLDINGS

as at 31 July 2023

Type of Securities	:	Warrants C
No. of Warrant C Issued	:	85,982,190
No. of Warrants C Holders	:	3,946
Exercise Price	:	RM0.09
Exercise Period	:	23 November 2022 to 13 November 2025

DISTRIBUTION OF WARRANTS C HOLDERS

Size of Holdings	No. of Warrants C Holders	Percentage (%)	No. of Warrants C	Percentage (%)
1-99	1,308	33.15	38,272	0.04
100-1,000	797	20.20	370,462	0.43
1,001-10,000	1,345	34.09	4,925,012	5.73
10,001-100,000	410	10.39	11,780,582	13.70
100,001-4,292,833(*)	83	2.10	46,346,847	53.90
4,292,834 and above(**)	3	0.08	22,521,015	26.19
TOTAL	3,946	100.00	85,982,190	100.00

Notes:

* Less than 5% of issued Warrants C

** 5% and above of issued Warrants C

DIRECTORS' WARRANTS C HOLDINGS

(According to the Register of Directors' Warrants C Holdings as at 31 July 2023)

Name of Directors	Direct		Indirect	
	No. of Warrants C	%	No. of Warrants C	%
Datuk Tan Chor How Christopher	5,001,874	5.83	—	—
Wong Kok Seong	—	—	—	—
Thu Soon Shien	—	—	—	—
Pang Siaw Sian	—	—	—	—
Dato' Muhammad Shuib Bin Md Hashim	—	—	—	—

ANALYSIS OF WARRANTS C HOLDINGS

as at 31 July 2023

(CONT'D)

LIST OF THIRTY LARGEST WARRANTS C HOLDERS AS AT 31 JULY 2023

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

No.	Investor Name	No. of Warrants Held	%
1.	Ho Jien Shiung	10,015,699	11.65
2.	CGS-CIMB Nominees (Asing) Sdn. Bhd. <i>Exempt an for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)</i>	7,354,451	8.55
3.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Metronic Global Berhad</i>	5,150,865	5.99
4.	Datuk Tan Chor How Christopher	3,312,499	3.85
5.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for BNP Paribas (LONPBCLR-3PTY)</i>	3,214,230	3.74
6.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Barclays Bank PLC (Re Equities)</i>	2,729,448	3.17
7.	Sanichi Technology Berhad	2,719,773	3.16
8.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt an for Standard Chartered Bank Singapore (EFGBHK-ASING)</i>	2,225,287	2.59
9.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Datuk Tan Chor How Christopher</i>	1,689,375	1.96
10.	Arena Evolusi Sdn. Bhd.	1,651,826	1.92
11.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for Morgan Stanley & Co. International Plc (IPB Client Acct)</i>	1,552,635	1.81
12.	Teh Soh Yong	1,549,000	1.80
13.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Kok Hui</i>	1,180,875	1.37
14.	Chai Kok Kheang	1,165,875	1.36
15.	Teo Tiew	1,150,000	1.34
16.	Tan Beng Kiat	1,000,600	1.16
17.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt an for the HongKong and Shanghai Banking Corporation Limited (GCHK-LAZARUS)</i>	947,073	1.10
18.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Pang Chow Huat</i>	886,875	1.03
19.	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. <i>For Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund</i>	750,000	0.87
20.	Sun Chee Liang	671,568	0.78
21.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cita Realiti Sdn. Bhd.</i>	644,250	0.75
22.	Lee Chan Pang	607,200	0.71
23.	Cita Realiti Sdn. Bhd.	583,563	0.68
24.	Tyee Mea Yong	525,650	0.61
25.	HLIB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Boon Kim Yu (CCTS)</i>	500,000	0.58
26.	Tay Hock Soon	500,000	0.58
27.	Tee Yun Han	500,000	0.58
28.	Wong Chee Wai	500,000	0.58
29.	Lai Yee Voon	476,250	0.55
30.	Chan Chen Kit	431,250	0.50

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting (“19th AGM” or “the Meeting”) of M N C WIRELESS BERHAD (“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 Thursday, 19 October 2023 at 10:30 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 2023 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to
Explanatory Note 1</i> |
| 2. To approve the payment of Directors’ fees and benefits of up to RM220,000.00 for the period commencing from the date immediately after this 19th AGM until the next Annual General Meeting (“AGM”) of the Company. | <i>Ordinary Resolution 1</i> |
| 3. To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company’s Constitution:-

i. Mr. Thu Soon Shien; and
ii. Mr. Wong Kok Seong | <i>Ordinary Resolution 2
Ordinary Resolution 3</i> |
| 4. To re-appoint ChengCo PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 4</i> |

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 ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”) | <i>Ordinary Resolution 5</i> |
| <p>“THAT subject always to the Constitution of the Company, the Act, the ACE Market 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 new ordinary shares in the Company (“Shares”) 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 ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time (“Mandate”) 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.</p> | |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND THAT the Board of Directors is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

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 Secretaries 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."

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)
WINNIE GOH KAH MUN (MAICSA 7068836) (SSM PC No.: 202308000205)
 Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
 30 August 2023

Notes:

- A member who is entitled to present, participate, speak 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.
- 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.
- 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.
- 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes (Cont'd):

- (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 Damansara, 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 e-Portal's platform at <https://sshbsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshbsb.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 2023. Only members whose names appear in the General Meeting Record of Depositors as at 12 October 2023 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 for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 April 2023

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 20 October 2023 until the next AGM of the Company to be held in the year 2024. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS (CONT'D)

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 from office and be eligible for re-election from office 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 five (5) Directors of the Company are to retire pursuant to Clause 91 of the Company's Constitution.

Mr. Thu Soon Shien and Mr. Wong Kok Seong ("Retiring Directors") who were appointed to the Board on 8 April 2015, will retire and being eligible, have offered themselves for re-election at the 19th 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 on pages 6 and 8 of the Company's Annual Report 2023.

4. Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 21 October 2022 which will lapse at the conclusion of the Meeting.

Pursuant to Section 85 of the Act and the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 5, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

5. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company ("Proposed Amendments")

The Proposed Amendments are mainly to streamline the Constitution with the relevant regulatory requirements as well as to enhance administrative efficiency.

The Proposed Amendments 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.

NOTICE OF 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 Nineteenth Annual General Meeting of the Company dated 30 August 2023.

Clause No.	Existing Clause	Proposed Clause
56 <i>Offer of new Shares</i>	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

NOTICE OF APPENDIX A
(CONT'D)

Clause No.	Existing Clause	Proposed Clause
		<p>For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.</p>
<p>134A</p> <p><i>Validity of Electronic / Digital Signature</i></p>	New provision	<p>For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons:</p> <ul style="list-style-type: none"> (a) a holder of Shares; (b) a Director (including Alternate Director); (c) a committee member; (d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative, <p>shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.</p>

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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 Nineteenth Annual General Meeting ("19th AGM" or "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://sshbs.net.my/> (MYNIC Domain Registration Number D4A004360) provided by SS E Solutions Sdn. Bhd. on Thursday, 19 October 2023 at 10:30 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 RM220,000.00 for the period commencing from the date immediately after this 19th AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Mr. Thu Soon Shien as a Director who retires by rotation pursuant to Clause 91 of the Company's Constitution.		
3.	To re-elect Mr. Wong Kok Seong as a Director who retires by rotation pursuant to Clause 91 of the Company's Constitution.		
4.	To re-appoint ChengCo PLT as Auditors of the Company.		
5.	To approve the authority for Directors to issue and allot 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

Dated this day of, 2023.

CDS Account No.	
No. of Shares Held	

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 present, participate, speak 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.
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- (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.
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- (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 2023. Only members whose names appear in the General Meeting Record of Depositors as at 12 October 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
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Fold this flap for sealing

Then fold here

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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GET IN TOUCH

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, Malaysia.



Phone: +603 7491 1880



Fax: +603 7491 1899



Email: info@mnc.com.my



www.mnc.com.my
