



XOX NETWORKS BERHAD  
200501002315 (679361-D)

ANNUAL  
REPORT  
2022



**Welcome to the  
XOX Networks Berhad  
Group of Companies  
and Business  
Ecosystem.**

We would like to sincerely thank our shareholders for all their support throughout the challenging year and congratulate everyone at XOX Networks for the achievements we have had over the course of the current year. We are very hopeful for the upcoming year; not because we assume it to be any easier (it certainly won't) but because we are well anticipated and prepared for whatever lies ahead. Thank you for supporting us, your satisfaction has been and will always be our topmost priority.







“

Every detail matters. In XOX Networks, we believe that's the key to successful activations and relationships. We are dedicated to deliver exceptional quality products and services to our clients to enable interaction between its people and businesses.

”

## PRIORITIZING CLIENTS

We aim to build and keep a strong relationship with our clients. We are willing to face upcoming challenges and go above and beyond for our clients as their satisfaction is our main priority.

## STRONGER TOGETHER

We can't do much on our own but together we can accomplish great things with our clients, partners, communities, and investors supporting us to accomplish our challenges and goals.



## ALWAYS REINVENT

We think forward to the future and always try to keep up with the most current technologies, businesses, systems, and events. We will constantly be improving and striving to be the best in everything we do from our business to our relationships with partners, investors, and clients.

## PASSION & DETERMINATION

We are passionate and determined to tackle the challenges and goals that we have set. Our passion drives our determination to see through everything and finish what we started.





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## COMPANY PROFILE

XOX Networks Berhad (formerly known as Macpie Berhad) (“XOX Networks” or the “Company”) is an entertainment company that focuses on live event organisation and management with subsidiaries built to supplement the core business.

The Company has been listed on the Ace Market of Bursa Malaysia Securities Berhad since 2007.

The core businesses of our Group involve Event Management, Information and Communication Technology, Digital and Media Management and Financial Solutions.

In 2021, media and entertainment industries have been adversely affected by the disruptive effect of COVID-19 pandemic. Nevertheless, the Company has quickly responded to the needs of the market by going digital and successfully keep the Company afloat. Following the reopening of economy sectors during 2021 and moving to endemic phase from 1 April 2022 as announced by the Malaysian Government, XOX Networks Group’s Event Management segment have successfully organised live concerts, culture festival and a series of e-sports competitions that received overwhelming response.

Our Group has kept the momentum that was built over recovery period and is looking for opportunities to rebuild its position as the leading player of the industry in the remaining year ahead and improve its market share in this industry.

COMPANY **PROFILE**  
(cont'd)



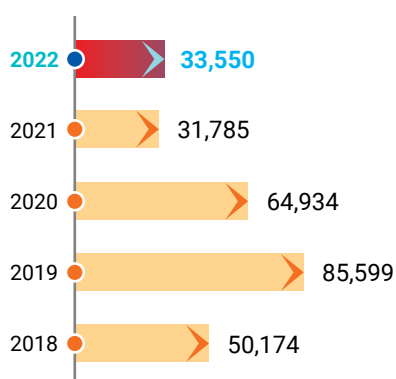


# FINANCIAL HIGHLIGHTS

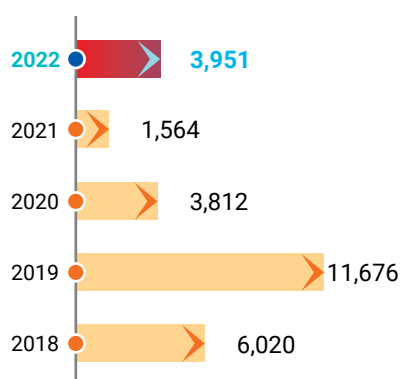
		AUDITED				
		2022	2021	2020	2019	2018
Number of shares	('000)	1,135,709	946,424	353,295	353,295	321,295
Revenue	(RM'000)	33,550	31,785	64,934	85,599	50,174
Gross Profit	(RM'000)	3,951	1,564	3,812	11,676	6,020
Gross Profit Margin	(%)	11.78%	4.92%	5.87%	13.64%	12.00%
(Loss)/Profit Before Taxation	(RM'000)	(5,491)	(8,806)	(9,353)	(2,555)	(8,905)
(Loss)/Profit After Taxation	(RM'000)	(5,717)	(9,197)	(8,717)	(3,565)	(8,966)
(Loss)/Profit After Taxation Margin	(%)	-17.04%	-28.94%	-13.42%	-4.16%	-17.87%
Net (Loss)/Earning per Share*	(Sen)	(0.57)	(1.65)	(1.64)	(0.85)	(2.99)
Current Ratio	(%)	5.04	4.84	2.31	2.69	3.78

\* Based on weighted average of ordinary shares

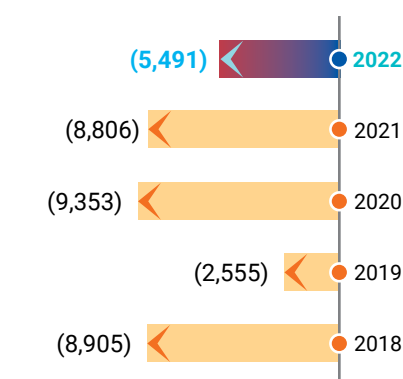
## REVENUE (RM'000)



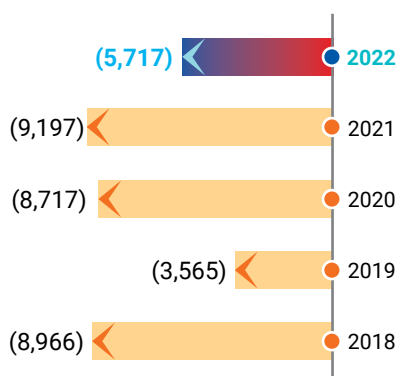
## GROSS PROFIT (RM'000)



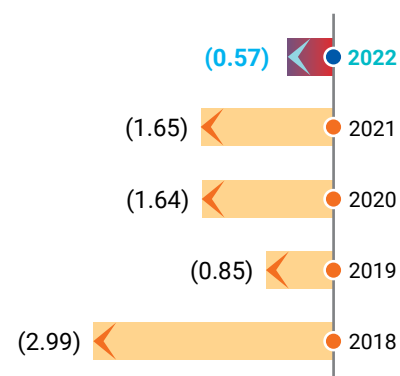
## (LOSS)/PROFIT BEFORE TAX (RM'000)



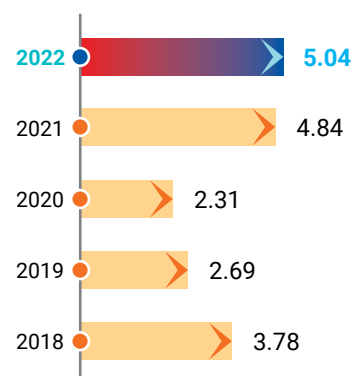
## (LOSS)/ PROFIT AFTER TAX (RM'000)



## NET (LOSS)/ EARNING PER SHARE (SEN)



## CURRENT RATIO (RM'000)



## CORPORATE INFORMATION

<p><b>Audit &amp; Risk Management Committee</b></p> <p>Andy Liew Hock Sim (Chairman) Lionel Vernon Yong Nguon Kee Lee Kien Fatt</p> <p><b>Nominating and Remuneration Committee</b></p> <p>Lionel Vernon Yong Nguon Kee (Chairman) Lee Kien Fatt Andy Liew Hock Sim</p> <p><b>ESOS Committee</b></p> <p>Koo Kien Keat Andy Liew Hock Sim</p> <p><b>Company Secretary</b></p> <p>Chen Wee Sam (LS0009709) (SSM PC NO. 202008002853)</p> <p><b>Principal Bankers</b></p> <p>Malayan Banking Berhad CIMB Bank Berhad Ambank Group Berhad</p> <p><b>Registered Office</b></p> <p>No. 2-1, Jalan Sri Hartamas 8 Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel : 03-6201 1120 Fax : 03-6201 3121</p>	<p><b>BOARD OF DIRECTORS</b></p> <p><b>YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD</b> <i>Independent Non-Executive Chairman</i></p> <p><b>KOO KIEN KEAT</b> <i>Executive Director</i></p> <p><b>ANDY LIEW HOCK SIM</b> <i>Independent Non-Executive Director</i></p> <p><b>LIONEL VERNON YONG NGUON KEE</b> <i>Independent Non-Executive Director</i></p> <p><b>WOON SING JUINN</b> <i>Independent Non-Executive Director</i></p> <p><b>LEE KIEN FATT</b> <i>Independent Non-Executive Director</i></p>	<p><b>Corporate Office</b></p> <p>7th Floor, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf &amp; Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Tel : 010-309 8998</p> <p><b>Share Registrar</b></p> <p>Shareworks Sdn. Bhd. No. 2-1, Jalan Sri Hartamas 8 Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel : 03-6201 1120 Fax : 03-6201 3121</p> <p><b>Website</b></p> <p><a href="http://www.xoxnetworks.com.my">www.xoxnetworks.com.my</a></p> <p><b>Auditors</b></p> <p>UHY (AF 1411) Chartered Accountants Suite 11.05 Level 11 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel : 03-2279 3088 Fax : 03-2279 3099</p> <p><b>Stock Exchange Listing</b></p> <p>ACE Market of Bursa Malaysia Securities Berhad Stock Name : XOXNET Stock Code : 0140</p>
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# CORPORATE STRUCTURE



## Event Management

100%

**Trumpet International Sdn Bhd**  
(F.K.A Macpie Pro Sdn Bhd)  
Event and artist management

51%

**Level Up Plus Sdn Bhd**  
Stage and event construction  
(Disposed off on 1 July 2022)

100%

**Macpie Equipment Sdn Bhd**  
Renting of tools and equipment for  
stage design production

100%

**Excitix Ticketing Sdn Bhd**  
(F.K.A Macpie Ticketing Sdn Bhd)  
Ticketing solutions provider

## Retail & Distribution Management

100%

**PC3 Technology Sdn Bhd**  
Money lending businesses

100%

**Macpie Management Sdn Bhd**  
Trading of tele-communication products

100%

**Macpie Distribution Sdn Bhd**  
Trading of telecommunication products  
(Disposed off on 2 September 2022)

## Digital Services

100%

**Octagon Media Sdn Bhd**  
(F.K.A Macpie Entertainment Sdn Bhd)  
Advertising and maintainer of social media platform

100%

**Supernova International Sdn Bhd**  
(F.K.A Macpie Services Sdn Bhd)  
Hotel management business and digital marketing

## Others

100%

**Urusrasa Sdn Bhd**  
Management services of car jockey parking

100%

**Macpie Media Sdn Bhd**  
Dormant  
(Struck off on 29 June 2022)

100%

**ICT Rewards and Services Sdn Bhd**  
Restaurant operator

## BOARD OF DIRECTORS' PROFILE

**YM Tengku Ezuan Ismara bin Tengku Nun Ahmad** was appointed to the Board as the Independent Non-Executive Chairman on 27 September 2021.

He holds Masters in Law majoring in Banking Law and Anti-Money Laundering Act from International Islamic University Malaysia and Double Degree in Accounting and Finance from University of East London.

He is a professional and subsequently became a corporate member in numerous industries including oil & gas, military contractor, private equity and investment banking, corporate consulting to information technology and general trading.

In the event industry, he used to produce dramas and documentaries for TV stations. He has also involved in artist management for several major international events, for instance Petronas, Formula 1, football all-star exhibition match and etc.

He is presently an Independent Non-Executive Chairman of Komarkcorp Berhad and Non-Independent Non-Executive Director of Key Alliance Group Berhad and also a Director of several private companies. He is also holding advisory and management positions in many companies across a multitude of industries in Malaysia and overseas.

Eager to achieve more, he is always open to any new ideas of career and business opportunities and cooperation with good prospects and future value.

He is also an active member of Royal Family and involves in several official and philanthropic activities.



### YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD

Independent Non-Executive Chairman

Nationality



Gender



Aged





BOARD OF **DIRECTORS' PROFILE**  
(cont'd)

**Mr. Koo Kien Keat** was appointed to the Board as the Executive Director on 8 September 2020.

He has been one of the most popular international badminton players in Malaysia. He studied at the Saint Michael's Institute and completed his secondary school at Bukit Jalil Sports School. He being successful in his career and reached a career high ranking of world's number 1 in Men's Doubles in 2007. He has also become the youngest ever men's doubles pair and won the gold medal at Asian Games.

In addition, he has won 5 Gold Medals in Commonwealth Games which is the most Gold Medal wins in the history of Malaysia. He took part in the 2012 London Olympics where he achieved 4th prize in the Men's doubles. Over the years, he has participated in various of worldwide tournaments and after retirement he was appointed as club coach cum club manager for Badminton Asia High Performance Director. In 2015, he was returned back from retirement and participate in 2016 Rio Olympics. In November 2016, he officially announced on his retirement from professional badminton.

He believes in innovation and is bound to help XOX Networks Berhad (formerly known as Macpie Berhad) to attract more partnerships and diversify their clientele.

Presently, he is the Independent Non-Executive Director of Cheetah Holdings Berhad and Komarkcorp Berhad.

**KOO KIEN KEAT**

Executive Director

Nationality



Gender



Aged



BOARD OF **DIRECTORS' PROFILE**  
(cont'd)

**Mr. Andy Liew Hock Sim** was appointed to the Board as the Independent Non-Executive Director on 27 October 2020. He is the Chairman of Audit & Risk Management Committee and a member of Nomination and Remuneration Committee of the Company.

He is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and member of Certified Practising Accountant (CPA) Australia. He has over sixteen (16) years of experience with major audit firms in audit, taxation and accountancy that gained from both Malaysia and overseas. He was involved in numerous successful initial public offering ("IPO") in Malaysia, Singapore, Germany and Hong Kong throughout his career.

He started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtained his professional qualifications, i.e. MIA and CPA Australia in 2006. In KPMG Kuala Lumpur, he started to involve in the audit of multinational corporation (MNC) and public listed company (PLC). He also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

In 2008, he ventured to China and since then, spent eight (8) years in China. From 2008 to 2012, he worked in KPMG Beijing and actively involved in audit and IPO. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer and listed the company in Frankfurt Stock Exchange in 2014 prior to his return to Malaysia in 2016.

Upon his return to Malaysia, he joined Baker Tilly Malaysia and led a team of forty (40) which specialise in IPO and actively involved in various corporate exercise such as business restructuring, mergers and acquisitions, reverse takeover, transfer listing, financial due diligence, regularisation plan for PN17 company, fund raising, etc.

In 2019, he started his own public practice and assumed the role of Managing Partner.

At present, he also sits on the Board of XOX Berhad, Perak Corporation Berhad and Oversea Enterprise Berhad.

**ANDY LIEW HOCK SIM**

Independent Non-Executive Director

Nationality



Gender



Aged

42



BOARD OF **DIRECTORS' PROFILE**  
(cont'd)

**Mr. Lionel Vernon Yong Nguon Kee** is an Independent Non-Executive Director of the Company. He was appointed to the Board on the 21 March 2017 and is the Chairman of the Nomination and Remuneration Committee and a member of the Audit & Risk Management Committee of the Company.

Mr. Lionel Yong (CIA, CA (M), FCCA, CMIIA) is an internal audit practitioner with more than 21 years of experience in accounting, finance, and internal audit. He is a certified internal auditor (USA), a chartered accountant (Malaysia), a member of the Malaysian Institute of Accountants (MIA) and a Fellow Member of the Chartered Association of Certified Accountants (UK). His specialities include the provision of independent and objective assessments of systems of internal control as implemented by the management to evaluate and improve the effectiveness of risk management, control, and governance. He is also familiar with the requirements of carrying out investigations into corporate fraud activities and with the requirements of the governance and audit of Information Technology systems based on the Control Objectives for Information Technologies (COBIT) Framework.

He has carried out risk assessment exercises for numerous companies, involved in the system development life cycle process in the implementation of several information technology applications during his career and led investigations into a number of corporate fraud activities.

He is currently the Director of Corporate Governance, Risk Management and Internal Audit of OAC Consulting Sdn. Bhd.

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

**LIONEL VERNON  
YONG NGUON KEE**

Independent Non-Executive Director

Nationality



Gender



Aged



## BOARD OF DIRECTORS' PROFILE (cont'd)

**Ms. Woon Sing Jiunn** was appointed as the Independent Non-Executive Director on 30 January 2019.

She graduated from Tuanku Abdul Rahman University College with a Degree in Mass Communication (Media Studies).

She has more than 14 years of experience in the broadcast and media industry.

She got her start as a broadcast journalist with RTM, covering news ranging from crime to natural disasters, politics, and economic issues.

She then joined TV3 and worked as an Assistant Producer cum News Presenter on Buletin Utama. During her time with the television channel, she had amassed a wealth of experience from interviewing high-profile celebrities, politicians, international artists, and successful entrepreneurs. She interviewed personalities such as Ricardo Guadalupe, Chief Executive Officer ("CEO") of Hublot, Lang Lang, a famous Chinese pianist and Franz Linder, CEO of Mido. She was also tasked with carrying out live reporting in front of millions of audiences.

From 2016 until 2018, she was the Image and Branding Consultant for Media Prima news and current affairs. She was the first female presenter who won Reader's Digest Malaysia's Most Trusted TV Presenter twice, in 2016 and 2017. She was also appointed as Chief Editor for the Malaysia Book of Records 2018.

She does not hold any directorship in any other public companies and listed corporations.



### WOON SING JIUNN

Independent Non-Executive Director

Nationality



Gender



Aged

40



BOARD OF **DIRECTORS' PROFILE**  
(cont'd)**LEE KIEN FATT**

Independent Non-Executive Director

Nationality



Gender



Aged



**Mr. Lee Kien Fatt** was appointed to the Board as the Independent Non-Executive Director on 22 January 2021. He is a member of Audit & Risk Management Committee and Nomination and Remuneration Committee of the Company.

Mr Lee is a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

He started his career with an articleship with KPMG in 1987 before joining Group Associated (C&L) Sdn. Bhd. as Finance Manager from 1992 to 1994. After a stint with Ng Tiong Seng Corporation Berhad, he joined United Straits Amalgamated Berhad as Group Financial Controller in 1997. Subsequently, he was appointed as Consultant cum Executive Director of RNC Corporation Berhad in 1999. Mr Lee then left to join as Consultant cum Independent Non-Executive Director of LBI Capital Berhad in 2003. He also served as an Independent Non-Executive Director of Tenggara Oil Berhad from 2007 to 2008.

Presently, he is the Independent Non-Executive Director of both Key Alliance Group Berhad and Niche Capital Emas Holdings Berhad.

**Notes:****Family Relationship with any Director and/or Major Shareholder**

None of the Directors has any family relationship with any Director and/or major shareholder of the Company.

**Conflict of Interest**

None of the Directors has any conflict of interest with the Company.

**Conviction for Offences**

Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2022.

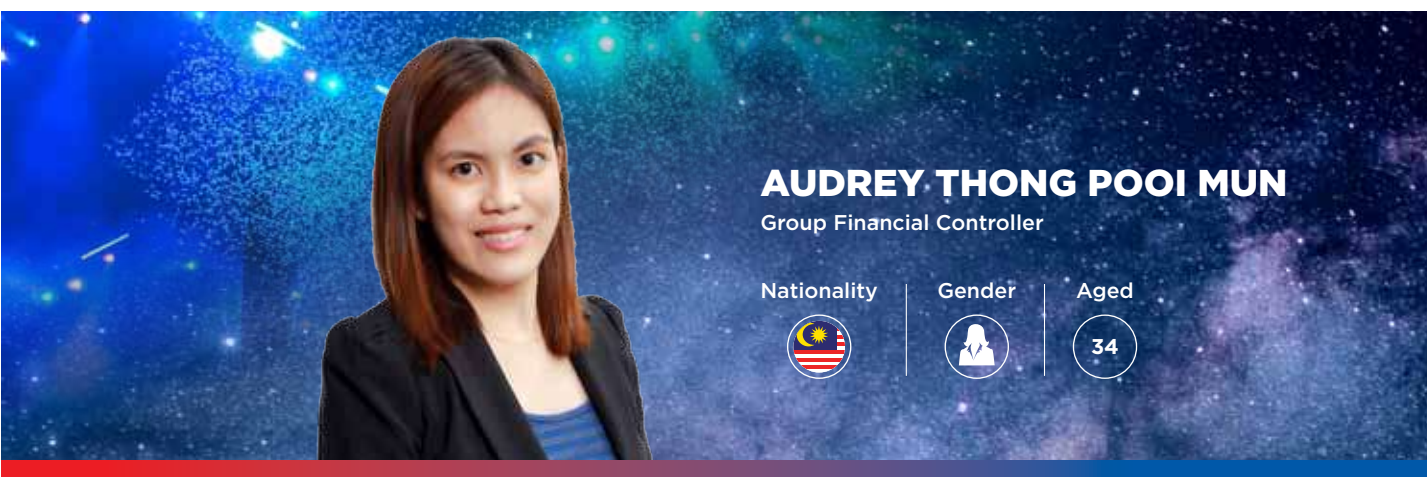
**Attendance of Board Meetings**

Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 23 of this Annual Report.

## PROFILE OF KEY SENIOR MANAGEMENT



The details of Mr. Koo Kien Keat are disclosed in the Board of Directors' Profile of this Annual Report.



**Ms. Audrey Thong** is overseeing our Group Finance, Group Human Resource and all corporate affairs related matters. She is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and a member of Association of Chartered Certified Accountants (ACCA). She has more than ten (10) years of experience in auditing, accounting and financial advisory roles in her career.

She started her career with KPMG Malaysia as a Finance Officer and moved on to a local audit firm to gain her audit experience. She then joined Baker Tilly Malaysia in the advisory department after she has completed with her professional qualification (ACCA) and involved in various assignments which include a few successful Initial Public Offering projects for private companies, corporate restructuring and insolvency, financial due diligence as well as financial forensic engagements.

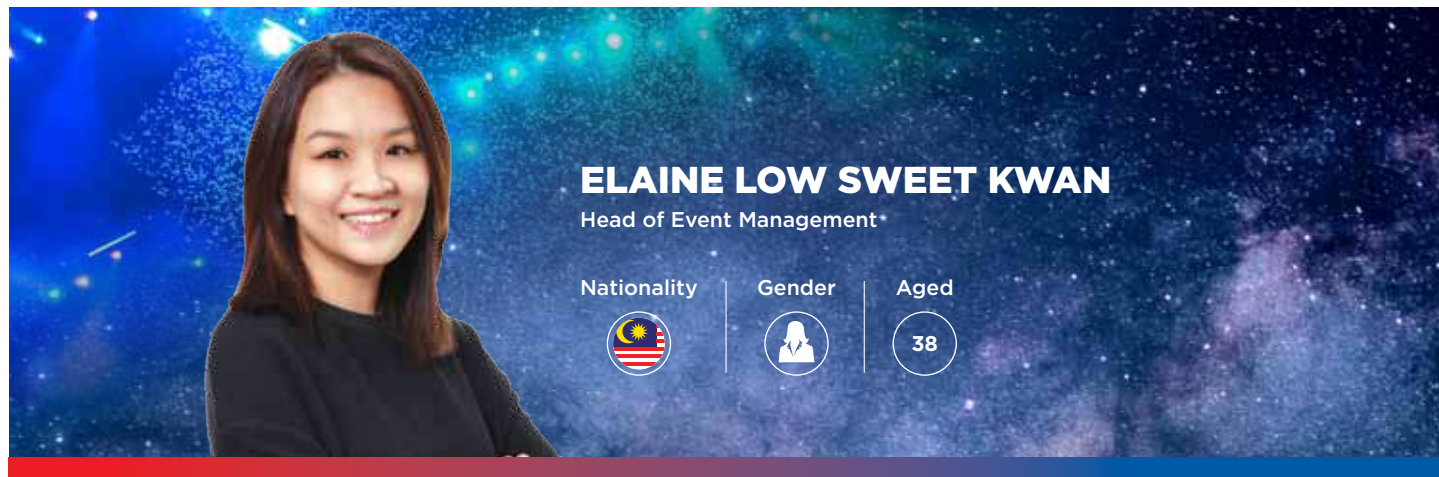
In 2019, she joined Deloitte Malaysia under the Forensic and Litigation Support arm for a team size of approximately 30 people and further explored her career with different investigation toolsets and knowledge to identify/uncover financial crime and/or business dispute through the review of financial statements, data collection as well as performing data analytics and relationship profiling.

Her appointment with the Group commenced on 1 January 2021.

She does not hold any directorship in any other public companies and listed corporations. She also does not have any family relationship with any Director and/or Major Shareholder of the Company, has no conflict of interest with the Company, has not been convicted of any offences within the past five (5) years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2022.



## PROFILE OF KEY SENIOR MANAGEMENT (cont'd)



**Ms. Elaine Low Sweet Kwan** joins Trumpet International Sdn Bhd on 2 January 2018 and is currently the Head of Event Management, leading the event segment of the Group.

She started her career in an International Hotel chain and with her experience and success within the hospitality field, she resolutely left the industry and made a career turning point toward event industry. She has more than 14 years of professional experience in the event management industry. From artistes' management, project planning, marketing campaign and concert production and directing, she also has expertise with operations and implementing projects both local and international.

In 2022, she and her team also successfully organised Cheetah's largest and first ever Fashion Show in Malaysia, a Japanese Festival called "Nihon Matsuri", deemed to be the largest Japanese Festival in Malaysia garnering over 40,000 attendees. In addition, she planned a concert for a duo Malaysia local artist, Annuar Zain and Zaina Zain with a ticket sold out within 72 hours.

The international artistes she worked with before included Jennifer Lopez, Usher, Kelly Clarkson, Metallica, Westlife, Rain, BigBang, Blackpink and many more. With her achievement in the event international sphere, she has also worked on various projects such as Arthur's Day Music Festival, World Tours of international artiste as well as K-Wave Concert in Malaysia.

She does not hold any directorship in any other public companies and listed corporations. She also does not have any family relationship with any Director and/or Major Shareholder of the Company, has no conflict of interest with the Company, has not been convicted of any offences within the past five (5) years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW OF OUR GROUP'S BUSINESS

XOX Networks Berhad (formerly known as Macpie Berhad) ("XOX Networks" or "Company") and our subsidiaries ("XOX Networks Group" or "Group") are principally involved in the following:-

- (i) information and communication technology ("ICT") – trading and distribution of computer hardware and parts as well as telecommunication products, marketing and distribution of software with provision of related training and materials;
- (ii) event management – event and artist management as well as provision of ticketing solutions. Our ticketing solutions deliver ticket management systems and infrastructure to event organisers and can accommodate a wider range of clients, offline sales counters, optional payment gateways, custom ticket choices, entry scanning facilities, report analysis and dispatch services. We continuously improve this platform to ensure it stays competitive in the market;
- (iii) digital and media management – providing consultancy in the implementation and training for digital marketing as well as organising online events such as e-sports tournaments. Our Group applies a horizontal expansion strategy in expanding this segment as organising e-sports tournaments online is very similar to our Group's event management business; and
- (iv) financial solutions – provision of money lending services, which is one of our growth segments.



In 2020, our Group ventured into the e-sports and digital media management services segment with XOX Mobile Sdn Bhd (a wholly-owned subsidiary of XOX Bhd) for services related to organising an online event known as XOX Unity Player Unknown's Battlegrounds (PUBG) League. The aforesaid event was completed in August 2021 and provided a new revenue stream for our Group.

Following the above, our Group completed a private placement exercise on 29 December 2021 raising a total of RM5.3 million. The proceeds raised is to fund our initiative of setting up a digital media platform, in order to reduce our dependence on the traditional event management business and to ride on the increased demand for digital marketing and events.

For FYE 30 June 2022, ICT is the largest revenue contributor which contributed approximately 61% of our Group's total revenue, followed by the event management segment at 32% and the remaining revenue was contributed from financial solutions at 4% and digital and media management at 3%.

Our Group recorded a lower LAT for FYE 30 June 2022 as compared to the previous financial year. Nonetheless, we will continue to monitor closely the market conditions and consumer sentiment, and will make prompt adjustments to our business strategies / range of services and products offered, where necessary. Internally, we will continue to strive for better cost management by constantly reviewing our operations and adopting more efficient processes.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### FINANCIAL PERFORMANCE

	Audited FYE 30 June 2022 RM'000	Audited FYE 30 June 2021 RM'000
Revenue	33,550	31,785
Gross Profit ("GP")	3,951	1,564
Profit / (Loss) before Tax ("PBT") / ("LBT")	(5,491)	(8,806)
Profit / (Loss) after Tax ("PAT") / ("LAT")	(5,717)	(9,197)
GP margin (%)	11.8	4.9
PBT / (LBT) margin (%)	(15.5)	(27.7)
PAT / (LAT) margin (%)	(17.0)	(28.9)

### FINANCIAL PERFORMANCE (CONT'D)

Our Group's revenue increased from RM31.8 million in FYE 30 June 2021 to RM33.6 million in FYE 30 June 2022. The increase in revenue was due to the higher sales generated from event management, which was a result of the relaxation of the movement control order imposed by the Government of Malaysia ("Government") and physical events are gradually allowed by the Government by following the standard operating procedures. However, the sales increase in the event management segment was mitigated by the revenue decrease in the ICT segment, which was mainly due to lower orders from clients.

Our Group recorded a LAT of RM5.7 million for FYE 30 June 2022 as compared to LAT of RM9.2 million for FYE 30 June 2021. The lower LAT in FYE 30 June 2022 was mainly due to higher GP and lower administrative expenses during the current financial year.



### REVIEW OF FINANCIAL POSITION

	As at 30 June	
	2022 RM'000	2021 RM'000
Total assets	71,937	74,750
Total liabilities	10,066	12,443
Net assets / Shareholders' equity	62,763	63,179
Net current assets	39,560	45,338
<b>Financial ratios</b>		
Current ratio <sup>(1)</sup>	5.04	4.86
Gearing ratio <sup>(2)</sup>	0.01	0.02

Notes:-

(1) Current assets / Current liabilities

(2) Total borrowings / Shareholders' equity

MANAGEMENT DISCUSSION AND ANALYSIS  
(cont'd)

Our Group's net assets decreased mainly due to the increase in accumulated losses as at 30 June 2022. This is offset by the increase in share capital as a result of a private placement exercise completed on 29 December 2021. Our current ratio increased mainly due to the increase in receivables and the decrease in trade payables. Our Group's gearing ratio decreased due to the decrease in lease liabilities.

Non-current assets increased to RM22.6 million as at FYE 30 June 2022 from RM17.7 million as at FYE 30 June 2021. This was mainly due to the increase in property, plant and equipment arising from the purchase of equipment for the event management segment.

Current assets decreased to RM49.3 million as at FYE 30 June 2022 from RM57.1 million as at FYE 30 June 2021. This was mainly due to the decrease in cash and cash equivalent and mitigated by the increase in trade receivables.

Our Group's cash and cash equivalents together with deposits with licensed bank decreased to RM30.9 million as at FYE 30 June 2022 from RM46.6 million as at FYE 30 June 2021. The decrease was mainly due to utilisation of private placement proceeds.

Trade receivables (current and non-current) increased by 94.1% as a result of higher revenue and higher receivables from the money lending business. Other receivables decreased by 36.6% as certain receivables were written off and derecognition of assets arising from the arising from the disposal of Level Up Plus Sdn Bhd (previously a subsidiary company but was classified as asset held for sale during the financial year).

Non-current liabilities comprised lease liabilities in relation to the purchase of right-of-use asset (i.e. leases of office equipment). Current liabilities comprised mainly trade and other payables as well as lease liabilities and contract liabilities. Trade payables decreased by 52.4% due to repayments to suppliers for the financial year. Other payables increased by 25.7%, mainly due to deposit received under the ticketing segment.

On 29 December 2021, we completed a private placement exercise and raised proceeds of approximately RM5.3 million by issuing 189,284,800 new ordinary shares. The proceeds of the private placement exercise were intended to fund the development of a digital media platform for our event management business in line with the increasing reliance on digitalisation. This will allow our Group to organise our events via livestreaming, overcoming geographical constraints as well as any movement restrictions the Government may impose in the future.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.





## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### ANTICIPATED OR KNOWN RISKS

In line with Bursa Securities' regulatory framework on the new disclosure requirements, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below.

#### (I) Operational risks

The main operational risks faced by our ICT segment include inventory holding costs, stock obsolescence as well as fluctuation of market prices. Further, our sales are subject to demand variability. The level and timing of orders placed by our clients vary for a variety of reasons, including seasonal buying by consumers, the introduction of new hardware and software technologies and general economic conditions. Our Group mitigates these risks through regular monitoring of price movement as well as maintain a close contact with our suppliers / business partners.

On our event management segment, any disruption in electricity supply and equipment malfunction may have an adverse effect on the progress or delivery of our event (be it physical events or online events), which will affect our Group's business and financial performance. To avoid major breakdowns and disruptions to our events, electricity supply and relevant equipment are constantly monitored and prior checking will be performed before hosting an event.

#### (II) Competition risks

We continue to face competition from existing and new competitors who may be capable of offering similar services or products. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our services and products through stringent quality assurance procedures. We also continuously place importance on improving our services and products, through developing new solutions such as the development of the digital media platform to overcome geographical constraints and movement restrictions imposed by the Government for our event management business, as well as providing training to develop our key personnel.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### ANTICIPATED OR KNOWN RISKS (CONT'D)

#### (III) Credit risks

Our Group is exposed to the risk of default by our trade receivables. We may experience delays in payment for our services and/or products, or in more severe cases, our Group may not be able to collect payments from our trade receivables. In the event of payment defaults, our Group would have to impair or write off the said receivables, which will negatively affect our financial performance.

Considering the above, our Group constantly reviews and evaluates the status of our trade receivables as well as perform thorough due diligence check on our potential clients before any provision of services and/or products are made.

#### (IV) COVID-19 pandemic and other highly contagious diseases

As a result of the COVID-19 pandemic, the Government has imposed various containment measures since 18 March 2020, which includes the closure of arts, entertainment and recreation premises, prohibitions of large-scale events and gatherings, closure of the country's borders and restrictions on interstate and international travel. During this period, our Group has had to change the way we conduct our businesses, including changing operating procedures to comply with the control in physical movements and adherence to social distancing requirements, and has taken the necessary steps to ensure the stability of our operations.

Despite the subsequent re-opening of entertainment outlets and resumption of events as permitted by the Government, the number of participants were limited due to physical distancing measures. Further, as a precautionary measure, many people avoided participating in these events to minimise the chances of getting infected.

On 15 May 2022, the Government has re-opened all its economic sectors as the country progresses into the endemic stage. However, our various businesses may be affected if there is another wave of the pandemic or the onset of other highly contagious diseases. This may cause demand for our services and products to decline or disrupt the flow of our operations or increase our operational cost as we address the effects of such diseases. In this regard, we will remain vigilant and take a prudent approach in monitoring our operations.





## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### TREND AND OUTLOOK

The COVID-19 pandemic has adversely impacted the overall economy in Malaysia and our Group is not spared from the negative effects of the pandemic. The closure of arts, entertainment and recreation premises, prohibitions of large-scale events and gatherings, closing of country borders and implementation of domestic and international travel restrictions have caused many entertainment events and activities to be cancelled or postponed, making the entertainment industry one of the hardest hit industries during the COVID-19 pandemic.

Notwithstanding the above, the advancement of livestreaming enables certain entertainment events to be carried out virtually during the COVID-19 pandemic. In this respect, the digital media platform will allow our Group to organise events and connecting such events with our audience via livestreaming. This will enable our Group to cater to a wider audience, overcoming geographical constraints as well as the movement restrictions imposed by the Government. This is expected to improve the financial position and financial performance of our Group.

Pursuant thereto, we have included the provision of digital marketing services into our portfolio, after considering the aforementioned benefits as well as to reduce the negative impact of the COVID-19 pandemic to our financial performance. In this relation, our Group has completed a private placement exercise on 29 December 2021 to raise the requisite funds for this purpose.

Further, the Government has re-opened all the economic sectors on 15 May 2022 as the country progresses into the endemic stage. Following this, economic activities across various sectors are expected to recover gradually in the months to come. This is expected to open up new opportunities for us to improve our financial performance as we may now organise more events. Moving forward, our Group intends to expand our event management business following the relaxation of movement containment measures and reopening of all major economic sectors. With this in mind, our Group is also actively seeking opportunities to expand our existing business or exploring new business activities. Nonetheless, there remains many uncertainties ahead in respect of our macroenvironment and the Board is cautiously optimistic of the future prospects of our Group.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### DIVIDEND POLICY

No dividend has been paid by the Company for the current financial year. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. Although we have not formulated a dividend policy or payout ratio, we recognise that it is important to reward our investors with dividends. The payment of dividends or other distributions will depend on our financial performance, cash flow requirement, availability of distributable reserves, capital expenditure plans and other factors that the Board of Directors deems relevant.





# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of XOX Networks Berhad (formerly known as Macpie Berhad) ("XOX Networks" or the "Company") presents this Corporate Governance Overview Statement ("Statement") to provide the shareholders and other stakeholders with an overview of the corporate governance ("CG") practices of the Company during the financial year ended 30 June 2022 ("FY2022"). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance ("MCCG").

This Statement is prepared in accordance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the CG Report 2022 of the Company ("CG Report") which is available on the Company's website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).

The CG Report provides details on how the Company has applied the practices as set out in the MCCG during FY2022.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1.0 Board's Responsibilities and Leadership

The Company and its subsidiaries ("Group") is led by an experience and effective Board. All Board members are expected to show good stewardship and act in a professional manner as well as to uphold the core values of integrity with due regard to their fiduciary duties and responsibilities.

The Board is responsible for governing, guiding and overseeing the overall management of the Group and retains full and effective control over the affairs of the Group. It reviews the Group's policies and strategies, enforces standards of accountability, actively oversees the conduct, management and business affairs of the Group and monitors the performance of Executive Director and Senior Management. The Board ensures the effective discharge of its fiduciary and leadership functions, as well as sustains long-term shareholder value while safeguarding the interests of all its stakeholders. It works closely with the Executive Director and Senior Management to ensure that the operations of the Group are conducted prudently within the framework of relevant laws and regulations. The Board ensured that it had set the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group.

The Board has delegated specific responsibilities to the following Board Committees to assist in the execution of its responsibilities:

- (a) Audit & Risk Management Committee ("ARMC"); and
- (b) Nominating Committee ("NC"); and
- (c) Remuneration Committee ("RC").

Subsequent to FY2022, the Board has on 1 July 2022 merged the NC and RC as a single Board Committee known as Nomination and Remuneration Committee ("NRC") with the aim to improve its efficiency and effectiveness in discharging its duties. The NRC comprises exclusively of Independent Non-Executive Directors.

Each Committee operates in accordance with respective terms of reference ("TOR") and reports to the Board with their recommendations. The ultimate responsibility for decision lies with the Board. The Board keeps itself abreast of the significant matters and resolutions deliberated by each Board Committee through the reports by the Chairman of the relevant Board Committees or the tabling of the minutes of the Board Committees' meetings and circular resolutions passed at the immediate subsequent Board meeting.

The TORs of the Board Committees are reviewed as and when the need arises. The TORs are published on the Company's website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**  
(cont'd)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****1.0 Board's Responsibilities and Leadership (Cont'd)****1.1 Separation of role and responsibility of Chairman and Executive Director**

There is a clear separation of the role and responsibility between the Chairman, the Executive Director and the Independent Non-Executive Directors to promote greater accountability to enhance check and balance of power and authority. The positions of the Chairman and the Executive Director are held by different individuals, and their roles are described in the Board Charter.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Executive Director has overall responsibility, with the support of the Senior Management team of the Company, for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.

Delegation of the Board's authority to the Executive Director and Senior Management is subject to defined limits of authority of the Group and monitoring by the Board. However, as the Board has the overall responsibility to manage and supervise the affairs of the Company in accordance with the law, there are matters which are reserved for the Board's consideration as set out in the Board Charter.

**1.2 Board Meetings**

The Board met four (4) times during FY2022. The meeting attendance of the Board members is as follows: -

Directors	Meeting Attendance
YM Tengku Ezuan Ismara bin Tengku Nun Ahmad (Appointed on 27 September 2021)	2/3
Koo Kien Keat	4/4
Andy Liew Hock Sim	4/4
Lionel Vernon Yong Nguon Kee	4/4
Woon Sing Jiunn	4/4
Lee Kien Fatt	4/4
Justin Low Sook Huey (Resigned on 3 January 2022)	2/2

Due to the COVID-19 pandemic and as part of the Company's measures to curb the spread of the COVID-19, the Board meetings during FY2022 were conducted virtually via video conferencing.

The Board also deliberated and voted on the written resolutions circulated to the Board together with detailed explanation. Ample time was given to all Directors in order for them to make informed and constructive decisions.

All proceedings of the Board meetings were minuted, presented in the next meeting for confirmation and signed by the Chairman of the Meeting. At the Board meetings, the Management presented papers pertaining to each issue raised for discussion or as supplementary information.

Independent Advisers, Internal Auditors and External Auditors were invited to provide further insight and/or share advice and opinions on matters pertaining to corporate exercises, governance, internal controls and risk management. The Chairman constantly promotes constructive, healthy debate and the Directors are given the chance to freely express their views.



CORPORATE GOVERNANCE **OVERVIEW STATEMENT**  
(cont'd)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****1.0 Board's Responsibilities and Leadership (Cont'd)****1.2 Board Meetings (Cont'd)**

To facilitate the Directors' time planning, a planned annual meeting calendar is prepared and circulated to them before the beginning of each year. It provides the scheduled dates for meetings of the Board, Board Committees and annual general meeting ("AGM"). If there is any extraordinary general meeting to be held during the financial year, the meeting date will be planned in accordance with the availability of the Directors and the timeline of the corporate exercise. The Directors are also constantly updated with the closed periods for dealings in securities based on the targeted dates of announcement of the Group's quarterly results and annual financial results.

The Board was satisfied that all Directors have been devoting sufficient time to discharge their responsibilities adequately.

**1.3 Training**

The Directors acknowledge that continuous education is vital for the Board members to gain insight into the state of the economy, technological advances, regulatory updates and management strategies to equip themselves with the necessary skills and knowledge to effectively discharge their duties.

An appropriate induction is provided to any newly appointed Director for him to familiarise himself with the Group's organisational structure, strategic plans, significant financial, accounting and risk issues and other important matters and become effective in his role within the shortest practicable time.

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors.

The Directors continuously received briefings and updates on amongst others, amendments to Listing Requirements and new circulars/directives/guidelines/consultation papers issued by Bursa Securities and Companies Commission of Malaysia ("CCM") respectively. The Directors also received briefings on information on the Group's businesses and operations and initiatives undertaken by the Group.

Besides the above briefings, the Directors had attended the following training programmes/seminar/webinars during FY2022 to further enhance their knowledge and skills:

Name of Directors	Training Programmes/Seminar/Webinars
YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	• Key Disclosure Obligations of a Listed Company
Koo Kien Keat	• Key Disclosure Obligations of a Listed Company
Andy Liew Hock Sim	• Transfer Pricing • ESG Series for Accountants and Financial Professionals – ESG and Enterprise Risk Management.
Lionel Vernon Yong Nguon Kee	• Corporate Liability on Corruption Under Section 17A of the MACC Act 2009
Lee Kien Fatt	• Key Disclosure Obligations of a Listed Company
Woon Sing Jiunn	• Payment to Directors – what's allowed and what's disallowed

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### **2.0 Board's Composition**

The Group is currently led and managed by an experienced Board consisted of one (1) Independent Non-Executive Chairman, one (1) Executive Director and four (4) Independent Non-Executive Directors. The Independent Directors make up more than 50% of the composition of the Board. Hence, the composition of the Board fulfils the prescribed requirement under Rule 15.02(1) of the Listing Requirement and adopts the best practice 5.2 of the MCGG.

The composition of the Board reflects a diversity of backgrounds, skills and experiences in the areas of business, media, accounting, finance, taxation, audit, sports, legal, general management and strategy that contributes effectively in leading and directing the management and affairs of the Group. Given the calibre and integrity of its members and the objectivity and independent judgment brought by the Independent Directors, the Board is of the opinion that its current size and composition contribute to an effective Board.

#### **2.1 Board Charter**

The Board is guided by its Board Charter which provides reference in relation to the roles and responsibilities of the Board and Management. The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is published on the Company's website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).

#### **2.2 Code of Business Conducts**

The Directors are expected to conduct themselves with the highest ethical standards by setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group. The Company has adopted a Code of Business Conducts, which can be viewed on the Company's website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).

#### **2.3 Whistleblowing Policy**

The Board is committed to promote and maintain high standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

The Company provides avenues for all employees and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy to provide protection for employees and members of the public who report such allegation. This is also to provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality. To this end, the Board has established a Whistleblowing Policy, available for viewing on the Company's website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).

#### **2.4 Anti-Bribery and Anti-Corruption Policy**

The Group has adopted an Anti-Bribery & Anti-Corruption Policy to prevent the occurrence of bribery and corruption practices in relation to the businesses of the Group. The Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.



## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### **2.0 Board's Composition (Cont'd)**

##### **2.5 Corporate Disclosure Policy**

Recognising the importance of accurate and timely public disclosures of corporate information in order for the shareholders to exercise their ownership rights on an informed basis, the Board has established a Corporate Disclosure Policy, where it outlines how the Group identifies and distributes information in a timely manner to all shareholders. It also reinforces the Group's commitment to the continuous disclosure obligations and describes the procedures implemented to ensure compliance.

The Board through the Management oversees the Group's corporate disclosure practices and ensures implementation and adherence to the Corporate Disclosure Policy. The Board has authorised the Executive Director as the primary spokesperson responsible for communicating information to all stakeholders including the public.

##### **2.6 Succession Plan**

The Board, through the NC, is ensuring that there is an effective and orderly succession plan within the Group. The NC is responsible for formulating the nomination, selection and succession policies for the members of the Board and Board Committees while the Executive Director is responsible for the succession of the Group's key management personnel from time to time under the purview of NC.

In this regard, the NC reviews and assesses the profile, professional achievements, personality, experience, competency, skills and knowledge of each candidate for key management position to ensure the right candidate is appointed for the relevant position.

##### **2.7 Promoting Sustainability**

The Board recognises the importance of sustainability and its increasing impact to the Group's businesses. The Board annually reviews the sustainability of the Company's strategic directions, with due consideration over the progress of the long term and short-term plans, changes in business and political environment, levels of competition, updates in risk factors and any other factors which could affect the sustainability of the Group.

##### **2.8 Access to Information and Advice**

Every Director has full, free and unrestricted access to information within the Group. Where required, the Board and Board Committees are provided with independent professional advice or other advice in furtherance of their duties, the cost of which is borne by the Company. The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns.

The Board is supplied with quality and timely information, which allows it to discharge its responsibilities effectively and efficiently. The agenda for each meeting together with a set of comprehensive meeting papers for each agenda item are delivered to each Director seven (7) days or at appropriate time prior to the meeting, to enable the Board to review the matters to be deliberated for effective discussion and decision making during the meeting, and where necessary, to obtain supplementary information before the meeting.

In addition, the Directors have full and unrestricted access to the advice and dedicated support services of the Company Secretary appointed by the Board. He is experienced, competent and responsible to advise the Board on procedural and regulatory requirements to ensure that the Board adheres to the Board policies, procedures and regulatory requirements in carrying out its roles and responsibilities effectively.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### 2.0 Board's Composition (Cont'd)

##### 2.9 Company Secretary

The Board is assisted by an experienced, competent and knowledgeable Company Secretary who gives clear and sound advice on regulatory requirements and governance matters to the Board. The Company Secretary is qualified to act as company secretary under Section 235 of the Companies Act 2016 ("the Act").

The Company Secretary is responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group as well as the principles of best corporate governance practices.

The Company Secretary is also advising the Board of their obligations and adherence to matters, amongst others, disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company or its subsidiaries, requirements on dealing in securities and restrictions on disclosure of price-sensitive information.

During FY2022, the Company Secretary had:

- attended the Board, Board Committees and general meetings and ensured that the proceedings of the meetings and decisions made thereof are accurately and sufficiently recorded and properly kept;
- advised the Board and Board Committees on the corporate disclosures and compliance with the Act, Listing Requirements and Capital Markets and Services Act 2007;
- advised the Board on the amendments to Listing Requirements and new circulars/directives/guidelines/consultation papers issued by Bursa Securities and CCM respectively;
- ensured all statutory submissions to the relevant authorities were completed within the prescribed timeline;
- monitored corporate governance developments and practices; and
- ensures timely and appropriate information flow within the Board and Board Committees.

##### 2.10 Nomination Committee

For FY2022, the NC comprises exclusively of three (3) Independent Non-Executive Directors. The composition of the NC fulfils the prescribed requirement under Rule 15.08A(1) of the Listing Requirement.

The main responsibilities of the NC are as follows:

- Nominate new nominees for appointment to the Board and Board Committees for the Board's consideration.
- Annually assess the effectiveness of the Board as a whole, the Board Committees and the contributions of each individual Director including the Independent Non-Executive Directors based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.
- Annually review and assess the independence of the Independent Non-Executive Directors.
- Annually review the term of office and performance of the ARMC and each of its members to determine whether such committee and members have carried out their duties in accordance with the terms of reference.
- Annually review and make recommendation on the re-election of Directors.
- To oversee the development of succession planning of the Directors and Senior Management.



## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### 2.0 Board's Composition (Cont'd)

##### 2.10 Nomination Committee (Cont'd)

During FY2022, the NC met once and the activities undertaken by the NC are listed below:

- Nominated new nominees for appointment to the Board and Board Committees, after taking into consideration, amongst others, education, skills, knowledge, experience, expertise, integrity, professionalism, gender, age and ethnicity.
- Assessed the effectiveness of the Board as a whole, the Board Committees against criteria as set out in the evaluation forms.
- Reviewed the structure, size and composition of the Board.
- Assessed and evaluated the independence of the Independent Non-Executive Directors to ensure that they are free from any interest, position or relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his/her independent judgement.
- Assessed the performance of each individual Directors against criteria as set out in the evaluation forms, amongst others, attendance at Board and/or Board Committees meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.

For the purpose of determining the eligibility of the Directors to stand for re-election at the Seventeenth AGM ("17th AGM"), the Board through its NC had assessed the retiring Directors, and considered the following:

- (i) The Directors' performance and contribution;
- (ii) The Directors' skills, experience and strength in qualities; and
- (iii) The Directors' ability to act in the best interests of the Company in decision-making.

The NC also deliberated and voted on the written resolutions circulated to the NC together with detailed explanation. Ample time was given to the NC in order for them to make informed and constructive decisions.

The Board has not set a gender diversity target but, it is moving towards improving gender equality. The Board will focus on getting the participation of additional women and those of different ethnicity on its Board and within Senior Management and the person selected must be able to contribute positively to the development of the Group.

As at 30 June 2022, the Board has one (1) woman director which constitutes approximately 16.67% of the Board.

With the current composition, the Board members have the necessary knowledge, experience, diverse range of skills and competencies to enable them to discharge their duties and responsibilities effectively.

##### 2.11 Tenure of Independent Director

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director, unless the Board provides justification and shareholders' approval is sought through a two-tier voting process at an AGM of the Company for the Director concerned to continue to serve as an Independent Director.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### 2.0 Board's Composition (Cont'd)

##### 2.11 Tenure of Independent Director (Cont'd)

The Board had conducted an evaluation of the level of independence of the Independent Non-Executive Directors of the Company who served during the FY2022. The Board is satisfied with the level of independence demonstrated by them and their ability to act in the best interest of the Company and/or the Group.

None of the Independent Non-Executive Directors of the Company has served the Board for more than nine (9) years.

##### 2.12 Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee was established by the Board to administer and manage the ESOS Scheme in accordance with the By-Laws.

The ESOS Scheme will allow the Company to grant the ESOS options to all the eligible persons of the Group (excluding dormant subsidiaries) as a recognition of their performance and contribution to the Group.

#### 3.0 Remuneration

The principal objective of RC is to assist the Board in developing a policy on the remuneration packages for Directors and Senior Management of the Company, and to ensure that the remuneration packages are commensurate with the expected responsibilities and contributions by the Directors and Senior Management.

For FY2022, the RC comprises exclusively of three (3) Independent Non-Executive Directors.

The Company has adopted a remuneration framework in attracting, retaining and motivating the Directors and Senior Management of the Company for the successful performance of the Group. The remuneration of the Executive Director consists of basic salary, fees, other emoluments and benefits customary to the Group. Any salary and bonus review takes into account the performance of the individual and the financial performance of the Group.

The Non-Executive Directors' remuneration comprises annual fees and benefits based on their roles and responsibilities in the Board and Board Committees, their attendance at meetings and/or special skills and expertise they bring to the Board. Their fees and benefits are subject to the shareholders' approval at the AGM.

The Board determines the level of remuneration, fees and benefits of the Board members, taking into consideration the recommendations of the RC. Each individual Director abstains from deliberation and voting on all matters pertaining to their own respective remuneration.

The RC met once during FY2022 and has reviewed and recommended the proposed remuneration packages for both Executive Directors and Non-Executive Directors for the financial year ending 30 June 2023 to the Board for consideration. The Board has then made recommendation to the shareholders for approval at the forthcoming 17th AGM of the Company.

The RC also deliberated and voted on the written resolutions circulated to the RC together with detailed explanation. Ample time was given to the RC in order for them to make informed and constructive decisions.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**  
(cont'd)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****3.0 Remuneration (Cont'd)**

The details of the remuneration of Directors of the Company and the Group during FY2022 are shown below:

**The Company and the Group**

Name	Salary RM	Bonus RM	Benefit in-kind RM	Directors' Fees RM	Meeting Allowance RM	Other RM	Total RM
<b><u>Executive Directors</u></b>							
Koo Kien Keat	175,000	15,000	–	62,400	–	–	252,400
Justin Low Sook Huey <sup>(1)</sup>	66,774	–	–	23,148	–	–	89,922
<b><u>Non-Executive Directors</u></b>							
YM Tengku Ezuan Ismara bin Tengku Nun Ahmad <sup>(2)</sup>	–	–	–	64,273	–	–	64,273
Andy Liew Hock Sim	–	–	–	44,400	–	–	44,400
Lee Kien Fatt	–	–	–	44,400	–	–	44,400
Woon Sing Jiunn	–	–	–	44,400	–	–	44,400
Lionel Vernon Yong Nguon Kee	–	–	–	44,400	–	–	44,400

Notes:

- (1) Appointed as Executive Director on 17 August 2021 and resigned on 3 January 2022.  
 (2) Appointed as Independent Non-Executive Chairman on 27 September 2021.

Due to confidentiality, sensitivity and security concerns, the Board is of the view that the disclosure of Key Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate. The details of the remuneration are disclosed in Practice 8.2 of the CG Report.

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT****1.0 Audit & Risk Management Committee**

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors and its Chairman is not the Chairman of the Board, as follows:

- Andy Liew Hock Sim (Chairman)
- Lionel Vernon Yong Nguon Kee (Member)
- Lee Kien Fatt (Member)

The Board established the ARMC to provide independent oversight on both internal and external audit functions, financial reporting, risk management and internal control systems of the Company including reviewing the integrity of the financial reporting and overseeing the independence of both Internal Auditors and External Auditors. The terms of reference of the ARMC are available at the Company's website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).



## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### **1.0 Audit & Risk Management Committee (Cont'd)**

The ARMC met four (4) times during FY2022 and discussed, amongst others, the draft audited financial statements, unaudited quarterly results, annual report, and the internal audit report. The ARMC also evaluated the Internal Auditors and External Auditors, in terms of their independence, suitability, objectivity, competency, skill set, resources, and time commitment. Private meeting with the External Auditors was held during FY2022. No material matters of concern were reported by the External Auditors.

The details of the key activities carried out by the ARMC during the FY2022 are set out in the ARMC Report of this Annual Report.

#### **2.0 Risk Management and Internal Control Framework**

The Board acknowledges the importance of risk management and internal control systems are an integral part of effective management practice and to safeguard shareholders' investment and Group's assets. The ARMC ensures principal risks in the Group are identified, assessed and mitigated with the appropriate internal control system.

In establishing and reviewing the risk management and internal controls system, the Board recognises that such systems can provide only reasonable, but not absolute, assurance against the occurrence of any material misstatement or loss.

The ARMC meets on a regular basis to ensure that there is clear accountability for managing significant identified risks and that identified risks are satisfactorily addressed on an ongoing basis. In addition, the adequacy and effectiveness of the risk management and internal controls system is also reviewed by the ARMC.

Assessments on the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures are also carried out through internal audits. The risk-based internal audit plan that covers internal audit coverage and scope of work is presented to the ARMC for its consideration and approval annually. Internal audit reports encompassing the audit findings together with recommendations thereon are presented to the ARMC once to twice a year. The senior and functional line management are tasked to ensure management action plans are carried out effectively and regular follow-up audits are performed to monitor the continued compliance.

The Board has received assurance from the Executive Director that the Group's risk management and internal controls system is operating adequately and effectively, in all material aspects.

The Group has outsourced the services of internal audit to an independent professional service provider ("Outsourced IA") which reports directly to the ARMC. The ARMC has conducted private meeting with the Outsourced IA without the presence of the Management. Further details of the activities of the internal audit function carried out by the Outsourced IA during the FY2022 are set out in the ARMC Report of this Annual Report.

The main features of the risk management framework and internal control system of the Group are as set out in the Statement on Risk Management and Internal Control of this Annual Report.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (cont'd)

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

#### **1.0 Communication with Stakeholders**

The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.

The Company has in place policies and procedures on the roles and responsibilities of Directors, Management and other employees together with the levels of authority with regards to corporate disclosures requirements. The Company recognises the need to adopt a high standard for the disclosures of relevant and material information on the development of the Group. In addition, the Company also emphasizes on the need of timely disclosures of information to shareholders as it acknowledges the importance of keeping shareholders and investment communities informed of Company's business and corporate developments to enable them to make informed judgement in valuing the Company's shares. Such information is disseminated via the Company's annual reports, quarterly financial results and the various announcements made from time to time to Bursa Securities which are accessible via Bursa Malaysia Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The Group also maintains a website at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/) that allows all shareholders and investors to access information about the Group.

The Company has provided procedure on communication channel at its website whereby enquiries and feedback may be posed to the Company's Management.

#### **2.0 Conduct of General Meetings**

The Board also acknowledges AGM and extraordinary general meeting as important avenues in engaging with shareholders.

The AGM of the Company represents the principal forum for dialogue with shareholders where they may seek clarification on the Company's business. Shareholders are encouraged to participate in the questions and answers session and the Board will respond to any questions raised during the meeting to the best of its ability and knowledge.

In order to encourage shareholders' participation at the AGM, the Company issues the notice of AGM at least 28 days before the AGM to allow sufficient time for shareholders to make arrangements to attend either in person, by proxy(ies), corporate representative(s) or attorney(s).

The Sixteenth AGM ("16th AGM") of the Company was held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue on 30 November 2021. The Notice of 16th AGM was issued on 29 October 2021, which was more than 28 days before the 16th AGM. All resolutions set out in the Notice of 16th AGM were put to vote by poll via electronic voting and an independent scrutineer was appointed to validate the poll results. The Directors, Management and External Auditors had attended the 16th AGM to respond to the shareholders' and proxies' queries.

This Statement was approved by the Board on 27 October 2022.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## STATEMENT ABOUT THE STATE OF RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board of Directors of XOX Networks Berhad (formerly known as Macpie Berhad) is pleased to provide the following statement on the state of risk management and internal control of the Group, which has been prepared with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("The Guidelines").

## RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises the importance of good risk management practices and sound internal control as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a good sound system of risk management and internal control, and for reviewing its adequacy and integrity of such system. In addition, the Board has also received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Due to inherent limitations in any risk management and internal control system, such system put into effect by Management is designed to manage rather than eliminate the risk that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

## RISK MANAGEMENT

The Group's risk assessment process was developed with the assistance of a professional services firm. During the financial period, Senior Management reviews the existence of new risks and assesses the relevance of the Group's existing risk profile. Significant risks that may affect the Group's business objectives have been continually monitored. Whilst the Board maintains ultimate control over risk and control issues, the management of risks in the daily business operations is delegated to the management team and significant risks are identified and related mitigating responses as well as the corresponding internal controls are discussed twice a year at the Audit Committee meetings.

The Board and management practice proactive significant risks identification on a quarterly basis or earlier as appropriate, particularly on major proposed transactions, changes in nature of activities and/or operating environment, or new business ventures which may entail different risks, and require risk response strategies and controls to manage those risks to a level acceptable to the Board.

The abovementioned practices serve as the on-going process adopted by the Board and management to identify, evaluate and manage significant risks faced by the Group in achieving the business objectives and strategies.



## STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL** (cont'd)

### INTERNAL CONTROL MECHANISM

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core auditable areas of the Group based on their risk profile. The Group's internal audit function is outsourced to an independent professional services firm that specializes in the provision of internal audit services. The cost incurred in outsourcing the internal audit function for the financial period ended 30 June 2022 is at RM14,000.

Scheduled internal audits are carried out by the outsourced internal audit function based on the audit plan approved by the Audit Committee. The internal audit provides an independent assessment on the effectiveness and efficiency of internal controls utilising an acceptable audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the Audit Committee.

Apart from risk management and internal audit, the Group also has put in place the following key elements of internal control:

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority. The Executive Director and Financial Controller lead all board papers presentation with the assistance of the respective Heads of Divisions and reports to all the Board on all pertinent issues that may affect the Group's businesses and operations;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational, financial and human resource management, which is subject to a yearly review and improvement;
- Quarterly and comprehensive information provided to management, covering financial performance for effective monitoring and decision making; and
- Regular visits to operating units by members of the Board and senior management.

A numbers of minor internal control weaknesses were identified during the financial period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in the Group's Annual Report.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

### REVIEW OF THIS STATEMENT

The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' investment and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management framework.

The External Auditors have reviewed the Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with the disclosure required by the Guidelines for Directors of listed issuers on the Statement on Risk Management and Internal Control.

This statement is issued in accordance with a resolution of the Board of Directors dated 27 October 2022.

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee ("ARMC") is established to fulfil the principles of accountability, integrity and good corporate governance in assisting the Board of Directors ("Board") independently in discharging its responsibilities of reviewing and monitoring the Group's financial processes, audit process, statutory and regulatory compliance, establishing and maintaining internal controls and reinforcing the independence of the Internal Auditors and External Auditors and other matters that the Board may specifically delegate to the ARMC.

### COMPOSITION AND MEETINGS

During the financial year ended 30 June 2022 ("FY2022"), the ARMC consists of three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the ARMC and the attendance of its members at the meetings are as follows:

Name	Attendance
<b><u>Chairman</u></b>	
Andy Liew Hock Sim	4/4
<b><u>Members</u></b>	
Lionel Vernon Yong Nguon Kee	4/4
Lee Kien Fatt	4/4

The ARMC fulfils the requirement under Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad as all the members of ARMC are member of the Malaysian Institute of Accountants and have vast experience, skills and knowledge in finance, audit and accounting practices.

The authorities, duties and responsibilities of the ARMC are set out in its terms of reference which is available at [www.xoxnetworks.com.my/](http://www.xoxnetworks.com.my/).

The ARMC will meet at least four (4) times in each financial year with additional meetings to be held, if necessary. If need arises, the ARMC will invite the Directors, Management, Internal Auditors and External Auditors to attend the meetings.

The ARMC had private meeting with the External Auditors without the presence of Management to discuss audit related matters that the External Auditors wish to raise directly to the ARMC.

The ARMC meetings are pre-scheduled and are timed just before the meetings of the Board. Notices are issued seven (7) days before the meeting and meeting papers of each ARMC meeting are circulated (7) days before the meeting or at the appropriate time to all members to enable the ARMC to review the matters to be deliberated for effective discussion and decision making during the meeting.

The Directors, Financial Controller, Internal Auditors and External Auditors were invited to all the ARMC meetings to provide a direct flow of information to the ARMC as well as to provide clarification in the event of any issues arising. The relevant senior personnel will be invited to brief the ARMC when specific issues involving their respective areas of responsibility arise from risk management and internal audit reports, when necessary.

The minutes of each ARMC meeting were recorded and tabled to the ARMC for adoption at the following quarterly ARMC meeting and subsequently all the minutes of ARMC meetings are presented to the Board for notation. The Chairman of the ARMC reported the ARMC's recommendations to the Board for its consideration, approval and implementation as well as highlighted to the Board significant matters and resolutions deliberated by the ARMC at the Board meeting held immediately subsequent to the relevant ARMC meeting.

The Board, through its Nomination Committee, has reviewed the performance of the ARMC and the skills, experience and competencies possessed by the members of the ARMC through an annual ARMC effectiveness assessment. The Board is satisfied with the performance of the ARMC and its members where they have carried out their duties and responsibilities in accordance with the terms of reference of the ARMC.

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT (cont'd)

### SUMMARY OF ACTIVITIES

The ARMC carried out the following activities during the FY2022:

#### 1. Financial Reporting

- Reviewed the unaudited quarterly reports of the Company and its subsidiaries (collectively referred as "Group") before recommending the same to the Board for approval.
- Reviewed the annual audited financial statements of the Group for the financial year ended 30 June 2021 ("FY2021") with the External Auditors prior to submission to the Board for approval.

For purposes of the above, the ARMC considered changes in accounting policies and practices and the implementation of such changes, compliance with accounting standards and other legal and regulatory requirements, significant and unusual events, significant adjustments arising from the audit process, material litigation, the going concern assumption and where applicable, review and ensure corporate disclosure of the Group pertaining to the accounting, audit and financial matters are complied with the disclosure requirements under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Companies Act 2016.

#### 2. Internal Audit

- Reviewed with the Internal Auditors, the internal audit report in respect of the FY2022 comprising the audit findings, recommendations of Internal Auditors, Management's response and actions to be taken by the Management.
- Reviewed with the Internal Auditors, the internal audit plan to ensure the adequacy of the scope, functions and resources to carry out its work.
- Conducted private meetings with the Internal Auditors to give opportunity to the Internal Auditors to raise any matters without the presence of the Executive Director and Management.
- Assessed the suitability, objectivity, independence and performance of the Internal Auditors.

#### 3. External Audit

- Reviewed the audit completion memorandum of the Group for FY2021 with the External Auditors.
- Reviewed the results of the annual audit and audit report, including all the key audit matters raised by the External Auditors.
- Reviewed and discussed with the External Auditors the nature and scope of the audit plan and ensure that the audit plan is comprehensive;
- Reviewed the External Auditors' report on the status of the audit for FY2021, management letter and Management's response thereto;
- Conducted private meeting with the External Auditors, without the presence of the Executive Director and Management, to discuss any issues of concern arising from the annual statutory audit and, arising therefrom, directed Management to take further action on such matters.
- Reviewed the audit planning memorandum for the FYE2022.
- Assessed the suitability, objectivity, independence and performance of the External Auditors.

The ARMC was satisfied with the suitability, objectivity, independence, effectiveness, adequacy of resources and performance of the External Auditors and recommended to the Board on their re-appointment for the FY2022 at a remuneration to be determined by the Board, subject to the approval of the Company's shareholders at the Sixteenth Annual General Meeting held on 30 November 2021.



## AUDIT & RISK MANAGEMENT **COMMITTEE REPORT** (cont'd)

### SUMMARY OF ACTIVITIES (CONT'D)

#### 4. Annual Report

Reviewed the Corporate Governance Overview Statement, ARMC Report, Sustainability Statement and Statement on Risk Management and Internal Control and subsequently recommending the same to the Board for its consideration and approval for inclusion in the Annual Report for FY2021.

#### 5. Recurrent Related Party Transactions ("RRPT")

- Reviewed the RRPTs and conflicts of interest situations on a quarterly and annual basis to ensure that such transactions were undertaken on an arm's length basis, on terms not more favourable to the related parties than those generally available to the public, not to the detriment of the minority shareholders of the Company and in the best interest of the Company and the Group and where appropriate, recommended to the Board for approval.
- Reviewed the process used to procure shareholders' mandate for RRPT.

### STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The allocation of ESOS options shall be verified by the ARMC for each financial year to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the By-Laws of ESOS. The Company did not grant any options under ESOS during FY2022.

### INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional services firm, is an integral part of the assurance mechanism in ensuring that the Group systems of internal control are adequate and effective. The outsourced internal audit function reports directly to the ARMC.

The internal audit covers the review of the adequacy of risk management, the strength and effectiveness of the internal controls, compliance to both internal and statutory requirements, governance and management efficiency, among others. The internal audit report, which provide the results of audits conducted, are submitted to the ARMC for review. Key control issues and recommendations are highlighted to enable the ARMC to execute its oversight function. Areas for improvement and audit recommendations are also forwarded to the Management for their attention and further action. The Management is responsible for the implementation of corrective actions within the required time frame.

The activities of the internal audit function in respect of the FY2022 include internal audit review on Corporate Governance for the FY2022.

The ARMC was satisfied with the suitability, objectivity, independence, effectiveness, adequacy of resources and performance of the Internal Auditors.

The cost incurred for the internal audit function for the FY2022 amounted to RM14,000.

## ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the financial year ended 30 June 2022 ("**FY2022**") for XOX Networks Berhad (formerly known as Macpie Berhad) ("**XOX Networks**" or the "**Company**"):

### 1. Utilisation of Proceeds Raised from Private Placement ("**Private Placement I**")

On 14 December 2020, the Company proposed to undertake the proposed private placement of up to 129,614,800 new ordinary shares in XOXNET ("**XOX Networks Shares**" or "**Shares**"), representing up to approximately 30% of the total number of issued XOXNET Shares, to independent third party investor(s) to be identified later at an issue price to be determined later ("**Proposed Private Placement**");

The Private Placement had been completed following the listing and quotation of 106,030,800 Shares issued pursuant to the Proposed Private Placement ("**Placement Shares**") on the ACE Market of Bursa Securities on 1 March 2021. The Company had raised total proceeds of RM27.038 million based on the issue price of RM0.255 per Placement Share.

The status of the utilisation of proceeds as at 30 September 2022 were tabulated below:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Purchase of equipment for the event management segment	13,705	6,430	7,275
Additional funds for the financial solutions segment	8,938	8,938	–
Working capital	2,565	3,602	–
Estimated expenses in relation to the multiple proposals	1,830	793	–
<b>Total</b>	<b>27,038</b>	<b>19,763</b>	<b>7,275</b>

## ADDITIONAL COMPLIANCE INFORMATION (cont'd)

### 2. Utilisation of Proceeds Raised from Private Placement ("Private Placement II")

On 30 August 2021, the Company proposed to undertake the proposed private placement of up to 20% of the total number of issued shares in XOX Networks to third-party investor(s) to be identified later and at an issue price to be determined later.

The second private placement has been completed following the listing and quotation of the first and final tranche of 189,284,800 Placement Shares on the ACE Market of Bursa Securities on 29 December 2021. The Company had raised total proceeds of RM5.281 million based on the issue price of RM0.0279 per Placement Share.

The status of the utilisation of proceeds as at 30 September 2022 were tabulated below:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Setting up of digital media platform	5,211	79	5,132
Estimated expenses in relation to the exercise	70	30	40
<b>Total</b>	<b>5,281</b>	<b>109</b>	<b>5,172</b>

### 3. Audit and Non-audit fees

The audit fee and non-audit fees paid or payable by the Company and the Group to the External Auditors for FY2022 were as follows:

Audit Services	Group RM'000	2022 Company RM'000
Statutory audit fees	129	45
Non-audit fees	7	7
<b>TOTAL</b>	<b>136</b>	<b>52</b>



## ADDITIONAL COMPLIANCE INFORMATION (cont'd)

### 4. Recurrent Related Party Transactions of Revenue of Trading Nature

At the Annual General Meeting ("AGM") of the Company held on 30 November 2021, the Company had obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature.

The details of the RRPTs entered into during FY2022 were as follows:

Subsidiaries of XOXNET	Related Parties	Interested Director, Major Shareholders and/or Persons Connected to them	Nature of Recurrent Transactions	Actual Value RM
Trumpet International Sdn. Bhd.	XOX Mobile Sdn. Bhd.	XOX Bhd.	Provision of event management services to XOX Mobile Sdn. Bhd..	6,087,455.45
Supernova International Sdn. Bhd.	XOX Mobile Sdn. Bhd.	XOX Bhd.	Provision of digital marketing solutions to XOX Mobile Sdn. Bhd.	399,302.28
Octagon Media Sdn. Bhd.	XOX Mobile Sdn. Bhd.	XOX Bhd.	Provision of digital marketing solutions to XOX Mobile Sdn. Bhd.	152,227.31
Macpie Management Sdn. Bhd.	XOX Mobile Sdn. Bhd.	XOX Bhd.	Trading of telecommunication products to XOX Mobile Sdn. Bhd.	1,072,347.30
Trumpet International Sdn. Bhd.	Cheetah Corporation (M) Sdn. Bhd.	Koo Kien Keat	Provision of event management services to Cheetah Corporation (M) Sdn. Bhd.	2,401,467.68
Octagon Media Sdn. Bhd.	Cheetah Corporation (M) Sdn. Bhd.	Koo Kien Keat	Provision of digital media solutions to Cheetah Corporation (M) Sdn. Bhd.	60,000.00
Macpie Distribution Sdn. Bhd.	Tuudi 3PL Sdn. Bhd.	Ng Chee Heng	Provision of warehouse rental for event items and transportation (inbound & outbound) to Macpie Distribution Sdn. Bhd.	2,337,819.48
Macpie Distribution Sdn. Bhd.	Pavo Communications Sdn. Bhd.	Ng Chee Heng	Sales and purchase of telecommunication product/services	5,331.16

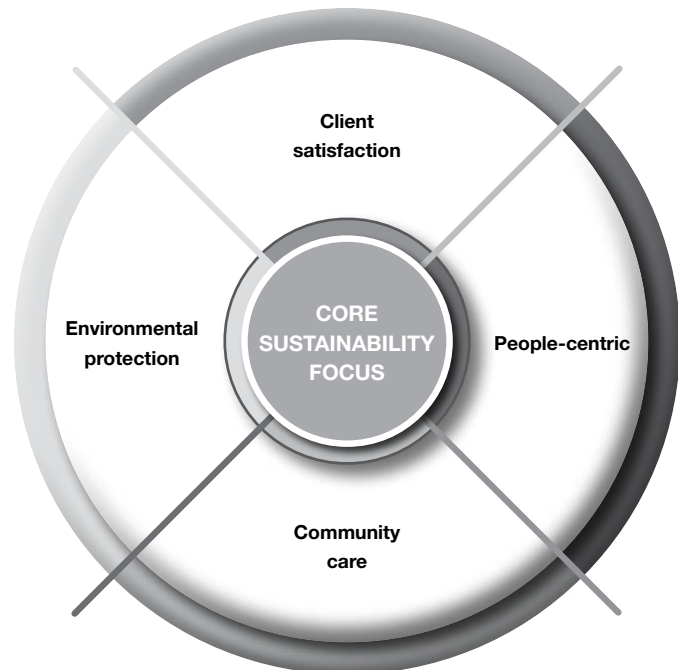
### 5. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors or major shareholders either still subsisting at the end of FY2022 or entered into since the end of the previous financial year.

## SUSTAINABILITY STATEMENT

XOX Networks Berhad (formerly known as Macpie Berhad) (“**XOX Networks**” or “**Company**”) is committed to sustainability, and the commitment is rooted in the knowledge that economically, environmentally, and socially responsible business practices are essential to foster the long-term well-being of our stakeholders and our businesses. Our Board continues to oversee XOX Networks’ sustainability performance in compliance with the guidelines on sustainability reporting issued by Bursa Malaysia Securities Berhad.

The economic and social challenges that arose from the COVID-19 pandemic have extended beyond the expectations of many, which has affected our Company’s financial performance. While XOX Networks continues to do our best to persevere through an extreme business climate, our commitment towards sustainability continues. During the financial year under review, the following core focus areas define our approach towards that commitment:



### CLIENT SATISFACTION

Client satisfaction is one of the crucial factors underlying the long-term sustainability of our business. XOX Networks places client experience at the forefront of our service and product delivery. We always ensure services and products supplied to clients are of good quality, priced competitively and delivered on time. Regular engagement with our clients also allows us to build rapport and keep our brand at the top of our clients’ minds.

We recognise the importance of the efficient and effective functioning of our supply chain. To minimise potential disruption to our supply chain, we diversify our supply network and work closely with reliable and trusted suppliers. On the information and communication technology (“**ICT**”) business front, XOX Networks engaged collaborative partners from local communities to source products, equipment, venue, securities, food & beverages, ticketing systems as well as services.

In addition, we have also put in place the following measures:-

#### Internal

Appropriate control and monitoring mechanism have been implemented to ensure our cost are kept within budget for all our event management activities. In addition, we strive to develop and keep abreast of innovative products and services to adapt to the dynamic changes and stay ahead of the competition in the ICT and entertainment industries.

#### External

XOX Networks ensures that the business partners across our supply chain are of good standing and adopt fair business practices. This is mainly done through the introduction of the anti-corruption and anti-bribery clauses in the agreements signed with our business partners for compliance purposes. While the current business climate remains tough, we remain committed to resolving supplier issues in time, and outstanding amounts are paid to suppliers promptly.

## SUSTAINABILITY STATEMENT (cont'd)

### CLIENT SATISFACTION (CONT'D)

#### External (Cont'd)

We strive to achieve a more diversified market to ensure long-term revenue sustainability for our Group. Historically, we have been generating most of our revenue from the ICT and event management segment. Following the onset of the COVID-19 pandemic in 2020, the local entertainment industry was adversely affected due to movement restrictions by the Government. To reduce our dependence on traditional event management business, we sought to diversify into other forms of event management by capitalising on our existing skillsets and resources. This resulted in us managing online events such as the XOX Unity Player Unknown's Battlegrounds (PUBG) League in 2021 as well development of a digital media platform for our event management business in line with the increasing reliance on digitalisation. Moving forward, we intend to expand our event management business following the relaxation of movement containment measures and reopening of all major economic sectors.

### PEOPLE-CENTRIC

Our employees play an important role in the continued success of our business. We recognise that their dedication and commitment is the key to the effective functioning of our various departments. XOX Networks prefers recruiting local talents, which could provide more job opportunities for the local communities.

We have identified the following areas which we think are the primary considerations of an employee's long-term career satisfaction:

- **Safe and conducive working environment.** We continuously ensure that our premises are clean, organised and adequately equipped with fire prevention measures for safety purposes. In addition, we have also designated certain areas within our premises for our employees to carry out leisure activities to encourage a healthy work-life balance.  
  
XOX Networks ensures that risks to health and safety from work activities are controlled. These efforts are aimed to minimise employees' risk of exposure to diseases while maintaining business continuity. We also ensure that all the workplaces are clean and well-equipped with the necessary protective equipment and sanitisation materials. Further, XOX Networks continues to minimise physical contact between employees, whenever possible, to curb the spread of the COVID-19 virus or any other highly contagious diseases.
  - **Personal development.** We provide on-the-job training to our employees to help them develop the necessary skills and be competent in their respective functions. We also conduct in-house seminars for our employees and reimburse employees for cost of external courses and seminars attended by them to improve their skills and employability.  
  
Further, we carry out orientation programmes for new employees, such as the following:
    - Briefing on our corporate culture;
    - Briefing on internal rules and requirements applicable to our operations;
    - Induction training for elementary on-the-job skills;
    - Briefing on emergency evacuation procedures and fire drill; and
    - Occupational health and safety training.
  - **Remuneration.** We strive to ensure that the remuneration package offered to our employees is in accordance to the applicable labour laws and regulations as well as comparable to market rates.
- During the financial year under review, the aforementioned activities were mostly conducted virtually.



## SUSTAINABILITY **STATEMENT** (cont'd)

### ENVIRONMENTAL PROTECTION

We are cognisant of the need for environmental protection and has inculcated this aspect into our operations and corporate culture. The initiatives taken by us in this regard include introducing environmental awareness program and constant reminders to our employees to reduce wasteful consumption of resources in all of our premises.

Our energy saving initiatives come in the form of using LED lightings to replace traditional lightings as well as eco-friendly equipment to replace traditional equipment, whenever possible. Power saving features or sleep mode were also enabled on computers, photocopiers, and other equipment, which also lowered power consumption.

To reduce the use of paper, we encourage our employees to use digital storage and filing. Employees are also encouraged to re-use recycled paper for internal processes to practice the good culture of reduce, reuse and recycle waste materials.

We also proactively reduce wasteful consumption of water in our premises. The measures taken in this respect include regular maintenance of water taps and piping to prevent water leakage and creating awareness for the need to conserve water among employees. We also remind our employees to report any leakages and malfunction of water infrastructure in our premises.

### COMMUNITY CARE

We recognise the need to engage with the wider community, including our shareholders, clients and suppliers. Through our website, we disseminate information on our Company to investors and members of the public. For shareholders, there are also opportunities for engagement with our Board and management at annual general meetings.

In addition, we believe the wellbeing of the community is important to the sustainability and growth of our business. As a responsible organisation, we recognise our duty in contributing towards social welfare. We are dedicated to make annual contributions to the community, be it for improving the livelihood of old folks / underprivileged children or to improve the state of education in our country. As best as we can, we incorporate our community care efforts to the events that we organise. In this regard, we provided a free booth to a home for physically and mentally challenged individuals (a non-governmental and not-for-profit organisation) in one of our events to sell the products made by them as well as cash donation to the said home.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to ensure that the financial statements for each financial year are prepared in accordance with the applicable approved accounting standards and the requirements of the Companies Act 2016, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 30 June 2022, the Directors ensured that the Management has:

- a. adopted appropriate accounting policies and applied them consistently;
- b. made judgments and estimates that are reasonable and prudent; and
- c. prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have an overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.



## 03 FINANCIAL STATEMENTS

<b>046</b>	Directors' Report
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<b>055</b>	Independent Auditors' Report to the Members
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<b>064</b>	Statements of Profit or Loss and Other Comprehensive Income
<b>066</b>	Statements of Changes in Equity
<b>070</b>	Statements of Cash Flows
<b>075</b>	Notes to the Financial Statements



## DIRECTORS' REPORT

The Directors of the XOX Networks Berhad (formerly known as Macpie Berhad) hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

### Change of Company Name

The Company changed its name from Macpie Berhad to XOX Networks Berhad on 17 December 2021.

### Principal Activities

The principal activity of the Company is investment holding.

The details of the Company's subsidiaries are as disclosed in Note 6 to the financial statements.

### Results

The results of the Group and of the Company for the financial year are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Net loss for the financial year:		
Loss after tax from continuing operations	(5,678,911)	(3,173,515)
Loss after tax from discontinued operation	(38,510)	-
	<u>(5,717,421)</u>	<u>(3,173,515)</u>
Loss attributable to:		
Equity holders of the Company	(5,697,480)	(3,173,515)
Non-controlling interests	(19,941)	-
	<u>(5,717,421)</u>	<u>(3,173,515)</u>

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

DIRECTORS' **REPORT**  
(cont'd)

### **Reserves and Provisions**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

### **Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

### **Issue of Shares and Debentures**

During the financial year, the Company issued and paid-up share capital from RM82,480,728 to RM87,761,774 by an issuance of 189,284,800 new ordinary shares for a total cash consideration of RM5,281,046 through private placement at an issue price of RM0.279 per ordinary share.

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

There was no issuance of debentures during the financial year.

### **Share Options**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

At an extraordinary general meeting held on 29 November 2018, the Company's shareholders approved the establishment of a New Employee Share Option Scheme ("New ESOS") of not more than 30% of the enlarged number of issued share capital of the Company at any one time over the duration of the scheme to eligible Directors and employee of the Group.

The salient features and other terms of the ESOS are disclosed in Note 27 to the financial statements.

**DIRECTORS' REPORT**  
(cont'd)**Warrants 2021/2024**

On 12 March 2021, the bonus issue of warrants has been completed following the listing and quotation of 459,467,057 Warrants B on the basis of every 2 existing ordinary shares on the ACE Market of Bursa Securities.

Each warrant carries entitlement, at any time during the exercise period, to subscribe for one (1) new ordinary share in the share capital of the Company at the exercise price of RM0.16 per ordinary share for each warrant held, subject to adjustments in accordance with the provision of the Deed Poll which is to be satisfied in cash. Any warrant not exercised during the exercise period will lapse and thereafter ceases to be valid for any purpose. The exercise period of the warrant is expired on 11 March 2024.

The salient terms of the warrants are disclosed in Note 16 to the financial statements.

**Directors**

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

YM Tengku Ezuan Ismara bin Tengku Nun Ahmad

Koo Kien Keat\*

Lionel Vernon Yong Nguon Kee

Woon Sing Jiunn

Andy Liew Hock Sim

Lee Kien Fatt \*

Justin Low Sook Huey

(Resigned on 3 January 2022)

*\* Directors of the Company and of the subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

**DIRECTORS' REPORT**  
(cont'd)

**Directors' Interests**

According to the Register of Directors' Shareholdings, there is no Director who is in office at the end of the financial year held any interest in the shares of the Company and its related corporation.

**Directors' Benefits**

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither during nor at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**Directors' Remuneration**

The details of the Directors' remuneration paid/ payable to the Directors of the Group and of the Company during the financial year are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Directors' fee	350,421	327,421
Salaries and other emoluments	769,774	256,774
Defined contribution plans	111,192	44,502
Social security contributions	3,157	1,309
	<u>1,234,544</u>	<u>630,006</u>



**DIRECTORS' REPORT**  
(cont'd)**Indemnity and Insurance Costs**

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

**Other Statutory Information**

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had 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:

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

DIRECTORS' **REPORT**  
(cont'd)

**Other Statutory Information (Cont'd)**

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) 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 in the financial year in which this report is made.

**Significant Events During the Financial Year**

Significant events during the financial year are disclosed in Note 34 to the financial statements.

**Subsequent Events**

Significant events subsequent to the end of the financial year are disclosed in Note 35 to the financial statements.

**Subsidiary Interests**

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

**Auditors' Remuneration**

The auditors' remuneration of the Group and of the Company for the financial year is RM129,000 and RM45,000.

**DIRECTORS' REPORT**  
(cont'd)**Auditors**

The auditors, UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

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KOO KIEN KEAT

---

ANDY LIEW HOCK SIM

KUALA LUMPUR

27 October 2022

## STATEMENTS BY **DIRECTORS**

The Directors of XOX Networks Berhad (formerly known as Macpie Berhad) state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 June 2022 and of the financial performance and the cash flows of the Company for the financial year ended on that date.

Signed in accordance with  
a resolution of the Directors,

---

KOO KIEN KEAT

---

ANDY LIEW HOCK SIM

KUALA LUMPUR

27 October 2022



## DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Lee Kien Fatt (MIA Membership No. 7499), the Director primarily responsible for the financial management of XOX Networks Berhad (formerly known as Macpie Berhad), do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

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LEE KIEN FATT

Subscribed and solemnly declared by the abovenamed Lee Kien Fatt at Kuala Lumpur in Federal Territory, this 27<sup>th</sup> day of October 2022.

Before me,

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COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF XOX NETWORKS BERHAD (FORMERLY KNOWN AS MACPIE BERHAD)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of XOX Networks Berhad (formerly known as Macpie Berhad), which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 164.

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

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS**  
(cont'd)**Key Audit Matter**

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

Key Audit Matter	How we addressed the key audit matter
<p><b>1. Impairment of trade receivables and amount due from subsidiary companies</b></p> <p>The Group's trade receivables amounting to approximately RM21.99 million, representing approximately 31% of the Group's total assets as at 30 June 2022.</p> <p>The Company's amount due from subsidiary companies amounting to approximately RM34.34 million, representing 59% of the Company's total assets as at 30 June 2022.</p> <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of the receivables.</p>	<p>Our procedures in relation to management's impairment assessment included, amongst others:</p> <p><u>Trade receivables:</u></p> <ul style="list-style-type: none"> <li>Reviewed the Group's trade receivables to determine whether there is any indication of impairment. Our impairment review is focused towards trade receivables which are overdue but not impaired as at 30 June 2022.</li> <li>Tested the accuracy and completeness of the data used by the management.</li> <li>Assessed the reasonableness of the methods and assumptions used by the management in estimating the recoverable amount and impairment loss both specific impairment and expected credit loss by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group.</li> </ul>

INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS**  
(cont'd)

**Key Audit Matter (Cont'd)**

Key Audit Matter	How we addressed the key audit matter
<b>1. Impairment of trade receivables and amount due from subsidiary companies (Cont'd)</b>	<p>Our procedures in relation to management's impairment assessment included, amongst others: (Cont'd)</p> <p><u>Trade receivables: (Cont'd)</u></p> <ul style="list-style-type: none"> <li>Reviewed the adequacy of the impairment loss and enquired the management regarding the recoverability of selected samples of trade receivables that are individually significant and group of receivables with similar credit risk characteristics. We examine the subsequent cash collections or the fair value of collateral.</li> <li>Considered the adequacy of disclosure made in accordance with MFRS 9 <i>Financial Instruments</i>.</li> </ul> <p><u>Amount due from subsidiary companies:</u></p> <ul style="list-style-type: none"> <li>Assessed the reasonableness of the methods and assumptions used by the management in estimating the recoverable amount and impairment loss.</li> <li>Tested the accuracy and completeness of the data used by the management.</li> </ul>



## 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 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 this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

## INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS** (cont'd)

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

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or 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 disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

## INDEPENDENT AUDITORS' REPORT **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 judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

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

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

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

INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS**  
(cont'd)

**Other Matters**

- (i) 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.
- (ii) The comparative figures were audited by another firm of chartered accountants who express an unmodified on those financial statements on 22 October 2021.

UHY  
Firm Number: AF 1411  
Chartered Accountants

TEOH WEI YEIN  
Approved Number: 03655/04/2024 J  
Chartered Accountant

KUALA LUMPUR

27 October 2022



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	12,929,416	6,472,726	66,954	43,310
Right-of-use assets	5	646,437	1,089,815	202,408	342,843
Investment in subsidiary companies	6	-	-	47,550	1,866,187
Goodwill on consolidation	7	59,510	1,100,118	-	-
Trade receivables	8	8,959,030	9,001,581	-	-
Amount due from subsidiary companies	9	-	-	13,735,463	15,556,173
		<u>22,594,393</u>	<u>17,664,240</u>	<u>14,052,375</u>	<u>17,808,513</u>
<b>Current Assets</b>					
Inventories	10	601,893	3,975,106	-	-
Trade receivables	8	13,035,495	2,331,472	-	-
Other receivables	11	2,374,468	3,745,959	48,857	48,828
Amount due from subsidiary companies	9	-	-	20,608,409	5,820,621
Tax recoverable		289,747	186,485	143	143
Fixed deposits with licensed banks	12	10,358,900	10,045,317	10,257,378	10,045,317
Cash and bank balances		<u>20,500,429</u>	<u>36,546,340</u>	<u>13,195,455</u>	<u>22,524,313</u>
		47,160,932	56,830,679	44,110,242	38,439,222
Assets held for sale	13	255,467	255,467	-	-
Assets included in disposal group held for sale and discontinued operation	14	1,926,452	-	-	-
		<u>49,342,851</u>	<u>57,086,146</u>	<u>44,110,242</u>	<u>38,439,222</u>
<b>Total Assets</b>		<u>71,937,244</u>	<u>74,750,386</u>	<u>58,162,617</u>	<u>56,247,735</u>

STATEMENTS OF **FINANCIAL POSITION**  
(cont'd)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	15	87,761,774	82,480,728	87,761,774	82,480,728
Reserves	16	(24,999,062)	(19,301,582)	(29,919,258)	(26,745,743)
<b>Equity attributable to owners of the parent</b>		62,762,712	63,179,146	57,842,516	55,734,985
Non-controlling interests		(891,686)	(871,745)	-	-
<b>Total Equity</b>		61,871,026	62,307,401	57,842,516	55,734,985
<b>Non-Current Liabilities</b>					
Lease liabilities	17	271,564	694,992	78,972	219,031
Deferred tax liabilities	18	11,864	-	-	-
		283,428	694,992	78,972	219,031
<b>Current Liabilities</b>					
Trade payables	19	3,211,799	6,751,869	-	-
Other payables	20	5,407,054	4,301,100	103,459	163,396
Contract liabilities	21	609,610	58,939	-	-
Lease liabilities	17	426,077	422,110	137,670	130,323
Tax payable		-	213,975	-	-
		9,654,540	11,747,993	241,129	293,719
Liabilities included in disposal group held for sale and discontinued operation	14	128,250	-	-	-
<b>Total Liabilities</b>		10,066,218	12,442,985	320,101	512,750
<b>Total Equity and Liabilities</b>		71,937,244	74,750,386	58,162,617	56,247,735

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Group		Company	
	Note	2022 RM	2021 RM Restated	2022 RM	2021 RM Restated
<b>Continuing operations</b>					
Revenue	22	33,550,402	31,590,291	-	-
Cost of sales		(29,599,294)	(29,763,545)	-	-
Gross profit		3,951,108	1,826,746	-	-
Other income		894,463	2,273,169	1,518,142	586,704
Administrative expenses		(7,929,100)	(5,709,840)	(4,037,898)	(2,286,227)
Net loss on impairment of financial instruments		(369,965)	(3,655,654)	(636,231)	(4,220,854)
Other expenses		(1,923,720)	(2,782,572)	-	(126,542)
<b>Loss from operations</b>		(5,377,214)	(8,048,151)	(3,155,987)	(6,046,919)
Finance costs	23	(113,907)	(68,486)	(17,528)	(4,042,910)
<b>Loss before tax</b>	24	(5,491,121)	(8,116,637)	(3,173,515)	(10,089,829)
Taxation	25	(187,790)	(391,343)	-	-
<b>Loss from continuing operations</b>		(5,678,911)	(8,507,980)	(3,173,515)	(10,089,829)
<b>Loss from discontinued operation, net of tax</b>	14	(38,510)	(689,139)	-	-

STATEMENTS OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**  
(cont'd)

	Note	Group		Company	
		2022 RM	2021 RM Restated	2022 RM	2021 RM Restated
<b>Loss for the financial year, representing total comprehensive loss for the financial year</b>		<u>(5,717,421)</u>	<u>(9,197,119)</u>	<u>(3,173,515)</u>	<u>(10,089,829)</u>
<b>Loss for the financial year attributable to:</b>					
Owners of the parent		(5,697,480)	(8,859,441)	(3,173,515)	(10,089,829)
Non-controlling interests		<u>(19,941)</u>	<u>(337,678)</u>	<u>-</u>	<u>-</u>
		<u>(5,717,421)</u>	<u>(9,197,119)</u>	<u>(3,173,515)</u>	<u>(10,089,829)</u>
<b>Loss per share</b>					
Basic loss per share (sen)	26				
- From continuing operations		(0.57)	(1.58)		
- From discontinued operation		<u>(0.00)</u>	<u>(0.07)</u>		
		<u>(0.57)</u>	<u>(1.65)</u>		
Diluted loss per share (sen)	26				
- From continuing operations		*	*		
- From discontinued operation		<u>*</u>	<u>*</u>		
		<u>*</u>	<u>*</u>		

\* Anti-dilutive in nature

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Attributable to Owners of the Parent				
	Non-Distributable	Share Capital	Accumulated Losses	Non-Controlling Interests	Total Equity
	RM	RM	RM	RM	RM
<b>Group</b>					
At 1 July 2021	82,480,728		(19,301,582)	(871,745)	62,307,401
Loss for the financial year, representing total comprehensive loss for the financial year	-		(5,697,480)	(19,941)	(5,717,421)
<b>Transaction with owners</b>					
Private placement	5,281,046		-	-	5,281,046
At 30 June 2022	87,761,774		(24,999,062)	(891,686)	61,871,026

STATEMENTS OF **CHANGES IN EQUITY**  
(cont'd)

Attributable to Owners of the Parent						
		Non-Distributable		Non-Controlling Interests		Total Equity
Note	Share Capital RM	Warrant Reserve RM	Accumulated Losses RM	Total RM	RM	RM
<b>Group</b>						
At 1 July 2020	50,976,626	8,400,480	(18,842,621)	40,534,485	(534,067)	40,000,418
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(8,859,441)	(8,859,441)	(337,678)	(9,197,119)
<b>Transactions with owners</b>						
Exercise of warrants	15 4,466,248	(15,069)	15,069	4,466,248	-	4,466,248
Private placement	15 27,037,854	-	-	27,037,854	-	27,037,854
	31,504,102	(15,069)	15,069	31,504,102	-	31,504,102
Warrants expired	-	(8,385,411)	8,385,411	-	-	-
At 30 June 2021	82,480,728	-	(19,301,582)	63,179,146	(871,745)	62,307,401

**STATEMENTS OF CHANGES IN EQUITY**  
 (cont'd)

	Note	Share Capital RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
<b>Company</b>					
At 1 July 2021		82,480,728	-	(26,745,743)	55,734,985
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(3,173,515)	(3,173,515)
<b>Transaction with owners</b>					
Private placement	15	5,281,046	-	-	5,281,046
At 30 June 2022		87,761,774	-	(29,919,258)	57,842,516

STATEMENTS OF **CHANGES IN EQUITY**  
(cont'd)

	Note	Share Capital RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
<b>Company</b>					
At 1 July 2020		50,976,626	8,400,480	(25,056,394)	34,320,712
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(10,089,829)	(10,089,829)
<b>Transactions with owners</b>					
Exercise of warrants	15	4,466,248	(15,069)	15,069	4,466,248
Private placement	15	27,037,854	-	-	27,037,854
		31,504,102	(15,069)	15,069	31,504,102
Warrants expired		-	(8,385,411)	8,385,411	-
At 30 June 2021		82,480,728	-	(26,745,743)	55,734,985

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

STATEMENTS OF  
**CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
<b>Cash flows from operating activities</b>					
Loss before tax					
- Continuing operations		(5,491,121)	(8,116,637)	(3,173,515)	(10,089,829)
- Discontinued operation		(38,510)	(689,139)	-	-
		<u>(5,529,631)</u>	<u>(8,805,776)</u>	<u>(3,173,515)</u>	<u>(10,089,829)</u>
Adjustments for:					
Bad debts written off		101,420	1,253,157	2,959	26,543
Depreciation of property, plant and equipment		2,090,953	2,076,258	19,277	3,254
Depreciation of right-of-use assets		459,062	638,946	140,435	52,065
(Gain)/ Loss on disposal of property, plant and equipment		(940)	25,133	-	-
Investment in subsidiary companies written off		-	-	100	-
Impairment losses recognised on:					
- investment in subsidiary companies		-	-	1,818,537	99,999
- amount due from subsidiary companies		-	-	636,231	4,220,854
- trade receivables		469,965	3,687,065	-	-
- goodwill		1,040,608	-	-	-
Unwinding of discounts:					
- trade receivables		42,551	(1,433,717)	-	-
- amount due from subsidiary companies		-	-	(60,830)	4,029,400
Interest expense		113,907	68,486	17,528	13,510
Interest income		(616,302)	(142,966)	(585,628)	(142,959)
Waiver of debts		-	(18,089)	-	(18,089)



STATEMENTS OF **CASH FLOWS**  
(cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment written off		811,878	1,588,590	-	-
Income from derecognition of right-of-use assets and lease liabilities		(195)	(51,273)	-	-
Reversal of impairment losses recognised on other receivables		(100,000)	-	-	-
Reversal of provision for restoration cost		-	(300,000)	-	-
Unrealised gain on foreign exchange		-	(8,119)	-	-
Operating loss before working capital changes		<u>(1,116,724)</u>	<u>(1,422,305)</u>	<u>(1,184,906)</u>	<u>(1,805,252)</u>
<b>Changes in working capital:</b>					
Inventories		3,373,213	(1,565,510)	-	-
Contract assets		-	17,300	-	-
Receivables		(11,709,017)	13,545,716	(29)	(41,856)
Payables		(2,305,866)	1,544,053	(59,937)	9,952
Contract liabilities		550,671	58,939	-	-
		<u>(10,090,999)</u>	<u>13,600,498</u>	<u>(59,966)</u>	<u>(31,904)</u>
Cash (used in)/ from operations		<u>(11,207,723)</u>	<u>12,178,193</u>	<u>(1,244,872)</u>	<u>(1,837,156)</u>
Interest paid		(113,907)	(68,486)	(17,528)	(13,510)
Interest received		616,302	142,966	585,628	142,959
Tax paid		(523,413)	(192,531)	-	-
Tax refunded		30,251	-	-	-
		<u>9,233</u>	<u>(118,051)</u>	<u>568,100</u>	<u>129,449</u>
Net cash (used in)/from operating activities		<u>(11,198,490)</u>	<u>12,060,142</u>	<u>(676,772)</u>	<u>(1,707,707)</u>

**STATEMENTS OF CASH FLOWS**  
(cont'd)

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Cash flows from investing activities</b>					
Net advances to subsidiary companies		-	-	(13,545,438)	1,147,260
Net cash outflow from acquisition of subsidiary companies		-	-	-	(99,900)
Purchase of property, plant and equipment	4	(9,417,152)	(141,962)	(42,921)	(46,564)
Proceeds from disposal of property, plant and equipment	4	37,380	74,364	-	-
Net cash (used in)/from investing activities		<u>(9,379,772)</u>	<u>(67,598)</u>	<u>(13,588,359)</u>	<u>1,000,796</u>
<b>Cash flows from financing activities</b>					
Issuance of share capital	15	5,281,046	27,037,854	5,281,046	27,037,854
Repayment of lease liabilities		(434,951)	(676,024)	(132,712)	(45,554)
Exercise of warrants		-	4,466,248	-	4,466,248
Repayment to subsidiary companies		-	-	-	(61,355)
Net cash from financing activities		<u>4,846,095</u>	<u>30,828,078</u>	<u>5,148,334</u>	<u>31,397,193</u>

STATEMENTS OF **CASH FLOWS**  
(cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(15,732,167)	42,820,622	(9,116,797)	30,690,282
<b>Cash and cash equivalents at the beginning of the financial year</b>	46,591,657	3,762,916	32,569,630	1,879,348
Effect on foreign exchange	-	8,119	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	<b>30,859,490</b>	<b>46,591,657</b>	<b>23,452,833</b>	<b>32,569,630</b>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>				
Cash and bank balances	20,500,590	36,546,340	13,195,455	22,524,313
Fixed deposits with licensed banks	10,358,900	10,045,317	10,257,378	10,045,317
	<b>30,859,490</b>	<b>46,591,657</b>	<b>23,452,833</b>	<b>32,569,630</b>

STATEMENTS OF **CASH FLOWS**  
(cont'd)**Cash outflow for leases as a lessee**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Included in net cash from operating activities:</b>					
Payment relating to short-term leases	24	300,385	554,075	-	19,600
Interest paid in relation to leases liabilities	23	71,356	68,486	17,528	13,510
<b>Included in net cash from financing activity</b>					
Payment of lease liabilities	17	434,951	676,024	132,712	45,554
<b>Total cash outflows for leases</b>		<b>806,692</b>	<b>1,298,585</b>	<b>150,240</b>	<b>78,664</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

## 1. Corporate Information

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

The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur.

The principal place of business of the Company is located at 7<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The details of the Company's subsidiaries are as disclosed in Note 6 to the financial statements.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors passed on 27 October 2022.

## 2. Basis of Preparation

### (a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**2. Basis of Preparation (Cont'd)****(a) Statement of compliance (Cont'd)****Adoption of amended standards**

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 9,	Interest Rate Benchmark Reform – Phase 2
MFRS 139, MFRS 7,	
MFRS 4, and MFRS 16	
Amendment to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

**Standards issued but not yet effective**

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvement to MFRS Standards 2018-2020		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

**Standards issued but not yet effective (Cont'd)**

The Group and the Company have not applied the following new MFRS, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods <u>beginning on or</u> <u>after</u>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**2. Basis of Preparation (Cont'd)****(b) Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

**(c) Significant accounting judgments, estimates and assumptions**

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgements**

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

**Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company include the renewal period as part of the lease term for leases of premises with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. Basis of Preparation (Cont'd)

#### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

##### Judgements (Cont'd)

##### Satisfaction of performance obligation in relation to contracts with customers

The Group required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

##### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

##### Useful lives/amortisation of property, plant and equipment (Note 4) and right-of-use ("ROU") asset (Note 5)

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU asset would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU asset.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**2. Basis of Preparation (Cont'd)****(c) Significant accounting judgments, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Impairment of investments in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiaries is disclosed in Note 6.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 7.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 18.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. Basis of Preparation (Cont'd)

#### (c) Significant accounting judgments, estimates and assumptions (Cont'd)

##### **Key sources of estimation uncertainty (Cont'd)**

##### Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 8, 9 and 11 respectively to the financial statements.

##### Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group and the Company assess the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**2. Basis of Preparation (Cont'd)**

- (c) Significant accounting judgments, estimates and assumptions (Cont'd)

**Key sources of estimation uncertainty (Cont'd)**Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2022, the Group has tax recoverable of RM289,747 (2021: RM186,485) and tax payable of RMNIL (2021: RM213,975) respectively. The Company has tax recoverable of RM143 (2021: RM143).

## NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

### 3. **Significant Accounting Policies**

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

#### (a) Basis of consolidation

##### (i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end to the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(a) Basis of consolidation (Cont'd)****(i) Subsidiary companies (Cont'd)**

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

**(ii) Changes in ownership interests in subsidiary companies without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(b) Foreign currency transactions and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

3. **Significant Accounting Policies (Cont'd)**

(c) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements.

(i) **Recognition and measurement**

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(c) Property, plant and equipment (Cont'd)****(iii) Depreciation**

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Motor vehicles	20%
Office equipment	10% - 40%
Renovations	20%
Furniture and fittings	10% - 20%
Signboard	5% - 10%
Tools and equipment	10% - 20%
Plant and machinery	10% - 20%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in property, plant and equipment.

**(d) Leases**As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. Significant Accounting Policies (Cont'd)

#### (d) Leases (Cont'd)

##### As lessee (Cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office building	1 to 4 years
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The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

##### As lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(d) Leases (Cont'd)**As lessor (Cont'd)

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**(e) Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables.

**(i) Financial assets at amortised cost**

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

3. **Significant Accounting Policies (Cont'd)**

(e) Financial assets (Cont'd)

(ii) Fair value through other comprehensive income

Debt instruments

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVOCI.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or 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 FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

The Group and the Company have not designated any financial assets at FVTPL.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(e) Financial assets (Cont'd)**

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group or the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

**(f) Financial liabilities**

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. Significant Accounting Policies (Cont'd)

#### (g) 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 when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

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

#### (h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (i) Inventories

Inventories are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Where necessary, allowance is made for deteriorated, obsolete and slow-moving inventories.

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

#### (j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(k) Impairment of assets****(i) Non-financial assets**

The carrying amounts of non-financial assets (except for inventories and deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amounts of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(k) Impairment of assets (Cont'd)****(ii) Financial assets**

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

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

**(l) Share capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company’s shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company’s shareholders.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(m) Provisions**

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group 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 statements of profit or loss and other comprehensive income net of any reimbursement.

**(n) Employee benefits****(i) Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting 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.

**(ii) Defined contribution plans**

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

3. **Significant Accounting Policies (Cont'd)**

(n) Employee benefits (Cont'd)

(iii) Equity-settled share-based payment transactions

The Group and the Company operate an equity-settled, share-based compensation plan for the employees of the Group and of the Company. 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 subsidiaries, 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 Group's and 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 the end of each reporting date, the Group and the Company revise 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.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(o) Contract asset and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(o) Contract asset and contract liabilities (Cont'd)**

Contract costs comprise costs incurred for the event management services. The contract costs recognized in profit or loss when the related event management of the contract is completed.

**(p) Revenue recognition****(i) Revenue from contracts with customers**

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

**(i) Event management services**

The revenue arising from event management services are recognized at a point in time unless one of the following overtime criteria is met:

- (a) The customer simultaneously received and consumes the benefits provided;
- (b) The Group's performance creates and enhances an asset that the customer control as the asset is created or enhances; or
- (c) The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

**(ii) Sales of goods**

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

**(iii) Interest income**

Revenue from interest income on loan financing is recognised on accrual basis unless recoverability is in doubt, in which case the recognition of interest is suspended. Subsequent to suspension interest is recognised on receipt basis.

The Group recognises interest income using EIR method.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

3. **Significant Accounting Policies (Cont'd)**

(p) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(iv) Management fee

Management fee is recognised when services are rendered.

(v) Services fee

Consultant services fee is recognised when services are rendered.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**3. Significant Accounting Policies (Cont'd)****(q) Income taxes (Cont'd)**

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

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

**(r) Segments reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**(s) Contingencies**

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. Significant Accounting Policies (Cont'd)

#### (t) Non-current assets (or disposal groups) held for sale and discontinued operation

Assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment assets are not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary company acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)3. **Significant Accounting Policies (Cont'd)**

## (u) Sales and service tax

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

4. **Property, Plant and Equipment**

	Motor vehicles RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Signboard RM	Tools and equipment RM	Plant and machinery RM	Total RM
<b>Group 2022</b>								
<b>Cost</b>								
At 1 July 2021	60,500	467,597	286,743	304,201	1,488	7,664,430	24,900	8,809,859
Additions	-	117,799	86,636	18,747	-	9,193,970	-	9,417,152
Disposals	-	(39,328)	-	-	-	-	-	(39,328)
Written off	-	(176,336)	-	(216,065)	-	(995,828)	-	(1,388,229)
Transfer to disposal group held for sale and discontinued operation (Note 14)	(60,500)	(8)	-	(6)	-	(2)	-	(60,516)
At 30 June 2022	-	369,724	373,379	106,877	1,488	15,862,570	24,900	16,738,938

**NOTES TO THE FINANCIAL STATEMENTS**  
(cont'd)

**4. Property, Plant and Equipment (Cont'd)**

<b>Group</b>	<b>Motor vehicles RM</b>	<b>Office equipment RM</b>	<b>Renovations RM</b>	<b>Furniture and fittings RM</b>	<b>Signboard RM</b>	<b>Tools and equipment RM</b>	<b>Plant and machinery RM</b>	<b>Total RM</b>
<b>Accumulated depreciation</b>								
At 1 July 2021	27,225	259,697	170,973	168,517	992	1,703,504	6,225	2,337,133
Charge for the financial year	12,100	73,678	53,474	47,935	297	1,898,489	4,980	2,090,953
Disposals	-	(2,888)	-	-	-	-	-	(2,888)
Written off	-	(132,632)	-	(162,117)	-	(281,602)	-	(576,351)
Transfer to disposal group held for sale and discontinued operation (Note 14)								
At 30 June 2022	(39,325)	-	-	-	-	-	-	(39,325)
	-	197,855	224,447	54,335	1,289	3,320,391	11,205	3,809,522
<b>Carrying amount</b>								
At 30 June 2022	-	171,869	148,932	52,542	199	12,542,179	13,695	12,929,416

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

4. Property, Plant and Equipment (Cont'd)

	Motor vehicles RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Signboard RM	Tools and equipment RM	Plant and machinery RM	Total RM
<b>Group 2021 Cost</b>								
At 1 July 2020	336,406	344,201	6,026,878	285,635	1,488	7,671,914	24,900	14,691,422
Additions	-	123,396	-	18,566	-	-	-	141,962
Disposals	(140,000)	-	-	-	-	(6,475)	-	(146,475)
Written off	(135,906)	-	(5,740,135)	-	-	(1,009)	-	(5,877,050)
At 30 June 2021	60,500	467,597	286,743	304,201	1,488	7,664,430	24,900	8,809,859
<b>Accumulated depreciation</b>								
At 1 July 2020	183,697	195,812	3,146,217	129,496	694	936,662	3,735	4,596,313
Charge for the financial year	26,100	63,885	1,177,109	39,021	298	767,355	2,490	2,076,258
Disposals	(46,667)	-	-	-	-	(311)	-	(46,978)
Written off	(135,905)	-	(4,152,353)	-	-	(202)	-	(4,288,460)
At 30 June 2021	27,225	259,697	170,973	168,517	992	1,703,504	6,225	2,337,133
<b>Carrying amount</b>								
At 30 June 2021	33,275	207,900	115,770	135,684	496	5,960,926	18,675	6,472,726

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)4. **Property, Plant and Equipment (Cont'd)**

	<b>Office equipment RM</b>	<b>Furniture and fittings RM</b>	<b>Renovation RM</b>	<b>Total RM</b>
<b>Company</b>				
<b>2022</b>				
<b>Cost</b>				
At 1 July 2021	36,414	10,150	-	46,564
Additions	14,704	-	25,995	40,699
Transfer	2,222	-	-	2,222
At 30 June 2022	<u>53,340</u>	<u>10,150</u>	<u>25,995</u>	<u>89,485</u>
<b>Accumulated depreciation</b>				
At 1 July 2021	2,664	590	-	3,254
Charge for the financial year	10,315	2,030	6,932	19,277
At 30 June 2022	<u>12,979</u>	<u>2,620</u>	<u>6,932</u>	<u>22,531</u>
<b>Carrying amount</b>				
At 30 June 2022	<u>40,361</u>	<u>7,530</u>	<u>19,063</u>	<u>66,954</u>
<b>2021</b>				
<b>Cost</b>				
At 1 July 2020	-	-	-	-
Additions	36,414	10,150	-	46,564
At 30 June 2021	<u>36,414</u>	<u>10,150</u>	<u>-</u>	<u>46,564</u>
<b>Accumulated depreciation</b>				
At 1 July 2020	-	-	-	-
Charge for the financial year	2,664	590	-	3,254
At 30 June 2021	<u>2,664</u>	<u>590</u>	<u>-</u>	<u>3,254</u>
<b>Carrying amount</b>				
At 30 June 2021	<u>33,750</u>	<u>9,560</u>	<u>-</u>	<u>43,310</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

5. **Right-of-Use Assets**

	<b>Premises RM</b>
<b>Group</b>	
<b>2022</b>	
<b>Cost</b>	
At 1 July 2021	1,310,148
Additions	20,981
Termination of lease contracts	(15,891)
At 30 June 2022	<u>1,315,238</u>
<b>Accumulated depreciation</b>	
At 1 July 2021	220,333
Charge for the financial year	459,062
Termination of lease contracts	(10,594)
At 30 June 2022	<u>668,801</u>
<b>Carrying amount</b>	
At 30 June 2022	<u>646,437</u>
<b>2021</b>	
<b>Cost</b>	
At 1 July 2020	6,713,101
Additions	1,379,339
Expiration of lease contracts	(6,782,292)
At 30 June 2021	<u>1,310,148</u>
<b>Accumulated depreciation</b>	
At 1 July 2020	5,526,986
Charge for the financial year	638,946
Expiration of lease contracts	(5,945,599)
At 30 June 2021	<u>220,333</u>
<b>Carrying amount</b>	
At 30 June 2021	<u>1,089,815</u>



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)5. **Right-of-Use Assets (Cont'd)**

	<b>Premises RM</b>
<b>Company</b>	
<b>2022</b>	
<b>Cost</b>	
At 1 July 2021/30 June 2022	<u>394,908</u>
<b>Accumulated depreciation</b>	
At 1 July 2021	52,065
Charge for the financial year	<u>140,435</u>
At 30 June 2022	<u>192,500</u>
<b>Carrying amount</b>	
At 30 June 2022	<u>202,408</u>
<b>2021</b>	
<b>Cost</b>	
At 1 July 2020	-
Additions	<u>394,908</u>
At 30 June 2021	<u>394,908</u>
<b>Accumulated depreciation</b>	
At 1 July 2020	-
Charge for the financial year	<u>52,065</u>
At 30 June 2021	<u>52,065</u>
<b>Carrying amount</b>	
At 30 June 2021	<u>342,843</u>

Other assets

The Group and the Company have lease contracts for premises for its business operations that include extension option. The leases typically run for a period of 1 to 2 years. The Group also has certain leases of office space with lease term of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for the leases.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

6. **Investment in Subsidiary Companies**

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>In Malaysia</b>		
<b>At cost</b>		
Unquoted shares	21,698,397	21,698,497
Less: Accumulated impairment losses	(21,650,847)	(19,832,310)
	<u>47,550</u>	<u>1,866,187</u>

Movements in the allowance for impairment losses are as follows:

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 July	19,832,310	19,732,311
Impairment loss recognised	1,818,537	99,999
At 30 June	<u>21,650,847</u>	<u>19,832,310</u>

The impairment loss recognised in the investment in subsidiary companies was due to the recoverable amounts determined based on the projected cash flows were lower than carrying amount of the investment.

Details of the subsidiary companies are as follows:

<b>Name of company</b>	<b>Place of business/ Country of incorporation</b>	<b>Effective Interest</b>		<b>Principal activities</b>
		<b>2022</b>	<b>2021</b>	
		<b>%</b>	<b>%</b>	
<b>Direct holding:</b>				
Macpie Equipment Sdn. Bhd.	Malaysia	100	100	Renting of tools and equipment for stage design production
ICT Rewards and Services Sdn. Bhd.	Malaysia	100	100	Restaurant operator

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**6. Investment in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective Interest		Principal activities
		2022 %	2021 %	
<b>Direct holding:</b>				
Macpie Management Sdn. Bhd.	Malaysia	100	100	Trading of telephone and telecommunications equipment and cell phones
PC3 Technology Sdn. Bhd.	Malaysia	100	100	Money lending
Macpie Distribution Sdn. Bhd.	Malaysia	100	100	Trading and distribution of telecommunication products
Urusrasa Sdn. Bhd.	Malaysia	100	100	Dormant
Macpie Media Sdn. Bhd. *	Malaysia	-	100	Dormant
Octagon Media Sdn. Bhd.	Malaysia	100	100	Advertising, media buying and maintainer of social media platforms
Trumpet International Sdn. Bhd.	Malaysia	100	100	Event and artist management

NOTES TO THE FINANCIAL STATEMENTS  
(cont'd)

6. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective Interest		Principal activities
		2022 %	2021 %	
<b>Direct holding:</b>				
Excitix Ticketing Sdn. Bhd. (formerly known as Macpie Ticketing Sdn. Bhd.)	Malaysia	100	100	Ticketing solutions provider to the event industry
Level Up Plus Sdn. Bhd.	Malaysia	51	51	Builders specialised in stage and event contractions
<b>Subsidiary company of ICT Rewards and Services Sdn. Bhd.</b>				
Supernova International Sdn. Bhd.	Malaysia	100	100	Business management consultant services

\* Struck off during the financial year

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)6. **Investment in Subsidiary Companies (Cont'd)**

## (a) Non-controlling interest in subsidiary

The Group's subsidiary that has material non-controlling interests is as follows:

	<b>Level Up Plus Sdn. Bhd.</b>	
	<b>2022</b>	<b>2021</b>
<b>Group</b>		
<b>Percentage of ownership interest and voting interest (%)</b>	<u>49</u>	<u>49</u>
Carrying amount of non-controlling interests (RM)	<u>(891,686)</u>	<u>(871,745)</u>
Net loss allocated to non-controlling interests (RM)	<u>(19,941)</u>	<u>(337,678)</u>

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

	<b>Level Up Plus Sdn. Bhd.</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Financial position as at reporting date</b>		
Non-current assets	21,191	71,050
Current assets	1,905,261	1,906,650
Current liabilities	<u>(3,762,515)</u>	<u>(3,773,067)</u>
Net liabilities	<u>(1,836,063)</u>	<u>(1,795,367)</u>
<b>Summary of financial performance for the financial year</b>		
Net loss/total comprehensive loss for the financial year	<u>(40,696)</u>	<u>(689,139)</u>
<b>Summary of cash flows for the financial year</b>		
Net cash outflows from operating activities	(14,678)	(422,187)
Net cash outflows from investing activities	-	(24,776)
Net cash inflows from financing activities	<u>13,778</u>	<u>403,777</u>
Net cash outflows	<u>(900)</u>	<u>(43,186)</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

6. **Investment in Subsidiary Companies (Cont'd)**

(b) Acquisition of subsidiaries

2021

On 19 August 2020, the Company subscribed additional 99,900 ordinary shares for a total cash consideration of RM99,900 in Octagon Media Sdn. Bhd.

On 1 December 2020, the Company acquired 2 ordinary shares, representing 100% equity interest in Excitx Ticketing Sdn. Bhd. (formerly known as Macpie Ticketing Sdn. Bhd.) for a total cash consideration of RM2.

7. **Goodwill on Consolidation**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 July/ 30 June	<u>2,670,921</u>	<u>2,670,921</u>
<b>Accumulated impairment losses</b>		
At 1 July	1,570,803	1,570,803
Impairment loss recognised	<u>1,040,608</u>	<u>-</u>
At 30 June	<u>2,611,411</u>	<u>1,570,803</u>
<b>Carrying amount</b>		
At 30 June	<u>59,510</u>	<u>1,100,118</u>

The impairment loss recognised in the goodwill was due to the recoverable amounts determined based on the projected cash flows were lower than carrying amount of the goodwill.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**7. Goodwill on Consolidation (Cont'd)**

The goodwill on consolidation arose upon the acquisition of subsidiaries principally engaged in the following business segments:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Information, communication and technology ("ICT")	-	1,036,704
Event management	59,510	63,414
	<u>59,510</u>	<u>1,100,118</u>

**(a) Recoverable amount on value in use**

For the purpose of impairment testing, the recoverable amount of goodwill as at the end of the reporting period was determined based on a value-in-use calculation by discounting the future cash flows generated from the continuing use of the cash generating unit ("CGU") and was based on the following assumptions:

- (i) Pre-tax cash flow projections based on the most recent financial budgets covering a five (5) years period.
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU is ranged from 2.5% to 10% (2021: 0% to 1%).
- (iii) Pre-tax discount rate of 7.8% to 10% (2021: 7.82% to 8.95%) per annum has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

**(b) Sensitivity to changes in assumptions**

The management believes that a reasonably possible changes in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS**  
 (cont'd)

**8. Trade Receivables**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Trade receivables		
- Third party	24,391,761	15,134,413
- Related party	1,728,383	453,005
	<u>26,120,144</u>	<u>15,587,418</u>
Less: Accumulated impairment losses	(4,125,619)	(4,254,365)
	<u>21,994,525</u>	<u>11,333,053</u>
Presented as:		
Non-Current	8,959,030	9,001,581
Current	13,035,495	2,331,472
	<u>21,994,525</u>	<u>11,333,053</u>
Secured	14,342,655	9,578,979
Unsecured	7,651,870	1,754,074
	<u>21,994,525</u>	<u>11,333,053</u>

Included in trade receivables of the Group is an amount of RM1,728,383 (2021: RM453,005) due from a subsidiary company of a corporate shareholders.

Trade receivables of RM2,881,870 (2021: RM1,754,074) are non-interest bearing and the normal credit terms are generally 7 to 30 (2021:30) days.

Secured and unsecured loan receivables of RM14,342,655 and RM4,770,000 (2021: RM9,578,979 and RMNil) are with interest bearing ranging from 6 to 14 % (2021: 8%) per annum and repayable over 6 to 24 (2021: 24) monthly instalments.

All loan receivables are to pay only interest portion on monthly basis and the whole principal amount of loan is to be paid in final payment of the loan except RM4,920,000 (2021: RMNil) which is to be paid on monthly basis for both interest and principal portion.

In the previous financial year, due to the Covid-19 pandemic, the Group granted deferment of 6 months loan interest payment for the loan borrowers which effective from 1 April 2020 to 30 September 2020.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)8. **Trade Receivables (Cont'd)**

Movements in the allowance for impairment losses are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 July	4,254,365	567,300
Impairment losses recognised	469,965	3,687,065
Transfer to disposal group held for sale and discontinued operation (Note 14)	(598,711)	-
At 30 June	<u>4,125,619</u>	<u>4,254,365</u>

The aged analysis of trade receivables as at the end of the reporting period:

	<b>Gross amount RM</b>	<b>Specific allowance RM</b>	<b>Expected credit losses RM</b>	<b>Net amount RM</b>
<b>Group</b>				
<b>2022</b>				
Neither past due nor impaired	19,913,546	-	-	19,913,546
<i>Past due but not impaired:</i>				
Less than 30 days	1,317,005	(15,606)	(41)	1,301,358
31 to 60 days	360,286	-	(7,782)	352,504
61 to 90 days	155,933	-	(10,376)	145,557
91 to 120 days	771,531	(159,605)	(330,366)	281,560
More than 121 days	3,601,843	(3,589,024)	(12,819)	-
	<u>6,206,598</u>	<u>(3,764,235)</u>	<u>(361,384)</u>	<u>2,080,979</u>
	<u>26,120,144</u>	<u>(3,764,235)</u>	<u>(361,384)</u>	<u>21,994,525</u>

NOTES TO THE FINANCIAL STATEMENTS  
(cont'd)

8. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period: (Cont'd)

	Gross amount RM	Specific allowance RM	Expected credit losses RM	Net amount RM
<b>Group</b>				
<b>2021</b>				
Neither past due nor impaired	10,431,674	-	-	10,431,674
<i>Past due but not impaired:</i>				
Less than 30 days	197,615	-	-	197,615
31 to 60 days	93,666	-	-	93,666
61 to 90 days	85,024	-	-	85,024
91 to 120 days	314,584	-	-	314,584
More than 121 days	4,464,855	(4,215,535)	(38,830)	210,490
	5,155,744	(4,215,535)	(38,830)	901,379
	15,587,418	(4,215,535)	(38,830)	11,333,053

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2022, trade receivables of RM2,080,979 (2021: RM901,379) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM3,764,236 (2021: RM4,215,535), relate to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)9. **Amount Due from/(to) Subsidiary Companies**

## (a) Amount due from subsidiary companies

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Non-trade related	78,414,536	64,811,227
Less: Accumulated impairment losses	(44,070,664)	(43,434,433)
	<u>34,343,872</u>	<u>21,376,794</u>
Presented as:		
Non-current	13,735,463	15,556,173
Current	20,608,409	5,820,621
	<u>34,343,872</u>	<u>21,376,794</u>

These represents unsecured, non-interest bearing advances and repayable on demand.

Movement in allowance for impairment losses are as follows:

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
At 1 July	43,434,433	39,213,579
Impairment losses recognised	636,231	4,220,854
At 30 June	<u>44,070,664</u>	<u>43,434,433</u>

The impairment loss recognised in the amount due from subsidiaries was due to irrecoverable of outstanding amount.

## (b) Amount due to subsidiary companies

These represents unsecured, non-interest bearing advances and repayable on demand.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

10. **Inventories**

	<b>Group</b>	
	<b>2022 RM</b>	<b>2021 RM</b>
<b>At cost:</b>		
Trading goods	601,893	3,975,106
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	12,946,493	21,247,327

11. **Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
Other receivables	5,311,522	5,474,679	1,395,317	1,395,291
Less: Accumulated impairment losses	(5,295,291)	(5,395,291)	(1,395,291)	(1,395,291)
	16,231	79,388	26	-
Deposits	161,760	3,539,074	48,831	48,828
Prepayments	2,196,477	127,497	-	-
	2,374,468	3,745,959	48,857	48,828

Movements in the allowance for impairment losses are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM</b>	<b>2021 RM</b>	<b>2022 RM</b>	<b>2021 RM</b>
At 1 July	5,395,291	5,395,291	1,395,291	1,395,291
Impairment losses reversed	(100,000)	-	-	-
At 30 June	5,295,291	5,395,291	1,395,291	1,395,291

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant difficulties and have defaulted on payments.



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**11. Other Receivables (Cont'd)**

Impairment losses reversed during the financial year amounting to RM100,000 (2021: RMNil) pertains to previously impaired receivables no longer required during the financial year.

**12. Fixed Deposits with Licensed Banks**

The interest rates of fixed deposits of the Group and of the Company are ranging from 1.06% to 2.09% (2021: 2.09%) per annum and the maturity of deposits is 1 to 3 months (2021: 3 months).

**13. Assets Held for Sale**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Freehold land and building	255,467	255,467

On 23 April 2018, the Company has entered into Sale and Purchase Agreement with a third party for the disposal of the freehold land and building located at No. 46, Jalan Seri Damai 1, Taman Seri Damai, 43000 Kajang, Selangor at a consideration of RM360,000.

The disposal of freehold land and building is expected to be completed by the next financial year.

**14. Disposal Group Held for Sale and Discontinued Operations**

On 28 May 2022, the Company made the decision to discontinue and dispose of its subsidiary company, Level Up Plus Sdn. Bhd. ("LUP"), a partially owned subsidiary due to internal restructuring purposes.

The disposal of the subsidiary company is due to be completed on 1 July 2022 and as at 30 June 2022, the terms of the transaction were finalising. As at 30 June 2022, the assets and liabilities of LUP have been presented on the statements of financial position as a disposal group held for sale and results from this subsidiary company is presented separately on the statements of profit or loss and other comprehensive income as discontinued operation. The carrying amount of the investment in this subsidiary company has also been presented as an asset held for sale on the Company's statement of financial position as at 30 June 2022.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

14. **Disposal Group Held for Sale and Discontinued Operation (Cont'd)**

**Statements of Financial Position**

The major classes of assets and liabilities of LUP classified as held for sale as at 30 June 2022 are as follows:

	<b>Group RM</b>
<b>Assets</b>	
Property, plant and equipment	21,191
Other receivables	1,905,100
Cash and cash equivalents	161
Assets included in disposal group classified as held for sale	<u>1,926,452</u>
<b>Liabilities</b>	
Trade payables	83,000
Other payables	45,250
Liabilities included in disposal group classified as held for sale	<u>128,250</u>
Net assets directly associated with disposal group held for sale and discontinued operation	<u>1,798,202</u>

**Statements of Profit or Loss and Other Comprehensive Income**

The results of LUP and the result recognised on the remeasurement of disposal group are as follows:

	<b>2022 RM</b>	<b>Group 2021 RM</b>
Revenue	-	259,150
Cost of sales	-	(522,215)
Gross loss	-	(263,065)
Administrative expenses	(28,235)	(388,104)
Net gain/(loss) on impairment of financial instruments	19,911	(31,411)
Other expenses	(30,186)	-
Loss from operation	(38,510)	(682,580)
Finance costs	-	(6,559)
Loss from discontinued operation	<u>(38,510)</u>	<u>(689,139)</u>

The loss from discontinued operation is attributable partially to the owners of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)14. **Disposal Group Held for Sale and Discontinued Operation (Cont'd)****Statements of Cash Flow**

Cash flows attributable to LUP are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Net cash used in operating activities	(14,678)	(422,187)
Net cash used in investing activities	-	(24,776)
Net cash from financing activities	13,778	403,777
Effect on cash flows	<u>(900)</u>	<u>(43,186)</u>

15. **Share Capital**

	<b>Group and Company</b>			
	<b>Number of Shares</b>		<b>Amount</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Units</b>	<b>Units</b>	<b>RM</b>	<b>RM</b>
<b>Issued and fully paid up with no par value</b>				
At 1 July	946,424,339	353,294,982	82,480,728	50,976,626
Issuance of shares pursuant to:				
- Private placement	189,284,800	106,030,800	5,281,046	27,037,854
- Exercise of warrant	-	27,631,500	-	4,466,248
Share split	-	459,467,057	-	-
At 30 June	<u>1,135,709,139</u>	<u>946,424,339</u>	<u>87,761,774</u>	<u>82,480,728</u>

During the financial year, the Group and the Company increased its issued and paid up share capital from RM82,480,728 to RM87,761,774 by an issuance of 189,284,800 new ordinary shares for a total cash consideration of RM5,281,046 through private placement at an issue price of RM0.0279 per ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

16. **Reserves**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Accumulated losses	(24,999,062)	(19,301,582)	(29,919,258)	(26,745,743)
Warrant reserve (a)	-	-	-	-
	<u>(24,999,062)</u>	<u>(19,301,582)</u>	<u>(29,919,258)</u>	<u>(26,745,743)</u>

(a) **Warrant reserve**

**Warrants B**

On 12 March 2021, the Company issued 459,467,057 free warrants on the basis of 1 warrant for every 2 units of ordinary shares.

The salient features of the Warrants B are as follows:

- (i) The issue date of Warrants B is 12 March 2021 and the expiry date is 11 March 2024. Any Warrants B not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (ii) Each Warrant B entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share in the share capital of the Company at the exercise price of RM0.16 per ordinary share;
- (iii) Subject to the provision in the respective Deed Polls, the exercise price and the number of Warrants B held by each warrant holder shall be adjusted by the Board of Directors of the Company in consultation with the adviser and certification of the external auditors, in the event of alteration to the share capital of the Company; and
- (iv) The theoretical fair value of the Warrants B was based on the 5-market day volume weighted average market price of the shares up to and including the last trading day prior to the price-fixing date of the Warrants B.

At the end of the reporting year, there was a total of 431,976,832 (2021: 431,976,832) unexercised Warrants B.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)17. **Lease Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 July	1,117,102	1,301,753	349,354	-
Additions	20,981	1,379,339	-	394,908
Reversal due to termination	(5,491)	(887,966)	-	-
Rent concessions related to Covid-19	(26,261)	(174,569)	-	-
Accretion of interest	71,356	68,486	17,528	13,510
Payments	(480,046)	(569,941)	(150,240)	(59,064)
At 30 June	<u>697,641</u>	<u>1,117,102</u>	<u>216,642</u>	<u>349,354</u>
Presented as:				
Non-Current	271,564	694,992	78,972	219,031
Current	<u>426,077</u>	<u>422,110</u>	<u>137,670</u>	<u>130,323</u>
	<u>697,641</u>	<u>1,117,102</u>	<u>216,642</u>	<u>349,354</u>

**The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:**

Within one year	463,011	445,690	150,240	157,350
Later than one year and not later than two years	252,650	508,105	80,774	150,240
Later than two years and not later than five years	<u>28,646</u>	<u>192,592</u>	<u>-</u>	<u>80,774</u>
	<u>744,307</u>	<u>1,146,387</u>	<u>231,014</u>	<u>388,364</u>
Less: Future finance charges	<u>(46,666)</u>	<u>(29,285)</u>	<u>(14,372)</u>	<u>(39,010)</u>
Present value of lease liabilities	<u>697,641</u>	<u>1,117,102</u>	<u>216,642</u>	<u>349,354</u>

The Group leases premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities bear interest at 5.40% (2021: 5.40% - 5.65%) per annum.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

18. **Deferred Tax Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 July	-	-	-	-
Recognised in profit or loss	27,745	-	-	-
Under provision in prior year	(15,881)	-	-	-
At 30 June	<u>11,864</u>	<u>-</u>	<u>-</u>	<u>-</u>

The net deferred tax assets and liability shown on the statements of financial position after appropriate offsetting are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Deferred tax assets	(1,005,601)	(545,509)	(7,765)	(6,525)
Deferred tax liabilities	<u>1,017,465</u>	<u>545,509</u>	<u>7,765</u>	<u>6,525</u>
	<u>11,864</u>	<u>-</u>	<u>-</u>	<u>-</u>

The components and movements of deferred tax assets and liability are as follows:

	<b>Unused tax losses RM</b>	<b>Unutilised capital allowances RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>Deferred tax assets</b>			
At 1 July 2021	-	(545,509)	(545,509)
Recognised in profit or loss	(15,553)	(379,534)	(395,087)
Transfer to disposal group held for sale and discontinued operation (Note 14)	-	4,956	4,956
Under provision in prior years	-	(69,961)	(69,961)
At 30 June 2022	<u>(15,553)</u>	<u>(990,048)</u>	<u>(1,005,601)</u>



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)18. **Deferred Tax Liabilities (Cont'd)**

The components and movements of deferred tax assets and liability are as follows:  
(Cont'd)

	<b>Unused tax losses RM</b>	<b>Unutilised capital allowances RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>Deferred tax assets</b>			
At 1 July 2020	-	-	-
Recognised in profit or loss	-	(202,797)	(202,797)
Under provision in prior years	-	(342,712)	(342,712)
At 30 June 2021	-	(545,509)	(545,509)
		<b>Accelerated capital allowances RM</b>	
<b>Group</b>			
<b>Deferred tax liability</b>			
At 1 July 2021			545,509
Recognised in profit or loss			391,070
Transfer to disposal group held for sale and discontinued operation (Note 14)			(4,956)
Underprovision in prior years			85,842
At 30 June 2022			1,017,465
At 1 July 2020			-
Recognised in profit or loss			202,797
Underprovision in prior years			342,712
At 30 June 2021			545,509

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

18. **Deferred Tax Liabilities (Cont'd)**

The components and movements of deferred tax assets and liability are as follows: (Cont'd)

	<b>Unutilised capital allowances RM</b>
<b>Company</b>	
<b>Deferred tax asset</b>	
At 1 July 2021	(6,525)
Recognised in profit or loss	(1,240)
At 30 June 2022	<u>(7,765)</u>
At 1 July 2020	-
Recognised in profit or loss	(6,525)
At 30 June 2021	<u>(6,525)</u>
	<b>Accelerated capital allowances RM</b>
<b>Company</b>	
<b>Deferred tax liability</b>	
At 1 July 2021	6,525
Recognised in profit or loss	1,240
At 30 June 2022	<u>7,765</u>
At 1 July 2020	-
Recognised in profit or loss	6,525
At 30 June 2021	<u>6,525</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)18. **Deferred Tax Liabilities (Cont'd)**

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unutilised capital allowances	11,257,717	9,705,521	14,983	5,670
Unused tax losses	17,458,616	17,169,120	4,865,457	4,977,196
Other deductible temporary differences	-	1,135	-	-
	<u>28,716,333</u>	<u>26,875,776</u>	<u>4,880,440</u>	<u>4,982,866</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

19. **Trade Payables**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Trade payables		
- third parties	2,330,545	6,085,261
- related parties	881,254	666,608
	<u>3,211,799</u>	<u>6,751,869</u>

Credit terms of trade payables of the Group ranged from 14 to 90 days (2021: 14 to 90 days) depending on the terms of the contracts. The trade payables are non-interest bearing and unsecured.

Included in trade payables of the Group is an amount of RM881,254 (2021: RM666,608) due from company in which Directors have interest.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

20. **Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	3,293,488	400,320	4,293	86,555
Accruals	412,527	843,954	99,166	76,841
Deposits received	1,701,039	3,056,826	-	-
	<u>5,407,054</u>	<u>4,301,100</u>	<u>103,459</u>	<u>163,396</u>

Other payables are non-interest bearing and unsecured.

Included in deposits received is deposit paid by customer of RMNil (2021: RM2,700,000) to secure and lock-in supply of ICT products of the Group.

21. **Contract Liabilities**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<u>Contract liabilities</u>		
Deferred income	<u>609,610</u>	<u>58,939</u>

The Group issues invoices to the customers while the revenue recognised when the performance obligation is satisfied. The Group has contract liabilities which represent unsatisfied performance obligation the end of the reporting year is expected to be recognised within 1 year.

# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 22. Revenue

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
		<b>Restated</b>
<b>Continuing operations</b>		
Revenue from contracts with customers:		
- Sales of goods	20,635,071	27,852,487
- Services rendered	11,620,939	2,664,480
- Rental income	15,600	571,430
- Interest income	1,278,792	501,894
	<u>33,550,402</u>	<u>31,590,291</u>
<b>Timing of revenue recognition</b>		
At a point in time	30,865,298	31,274,092
Over time	2,685,104	316,199
	<u>33,550,402</u>	<u>31,590,291</u>

## 23. Finance Costs

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Continuing operations</b>				
Interest expenses on:				
- Lease liabilities	71,356	68,486	17,528	13,510
- Trade receivables	42,551	-	-	-
- Amount due from subsidiary companies	-	-	-	4,029,400
	<u>113,907</u>	<u>68,486</u>	<u>17,528</u>	<u>4,042,910</u>

NOTES TO THE FINANCIAL STATEMENTS  
(cont'd)

24. Loss before Tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
	Restated			
<b>Continuing operations and discontinued operation</b>				
Auditors' remuneration				
- statutory audit				
- current year	129,000	124,000	45,000	48,000
- Continuing operations	126,000	120,000	45,000	48,000
- Discontinued operation	3,000	4,000	-	-
- (over)/under provision in prior year	(500)	2,100	-	-
- Continuing operations	(500)	(2,500)	-	-
- Discontinued operation	-	4,600	-	-
- non statutory audit				
- current year	7,000	5,000	7,000	5,000
Bad debts written off	101,420	1,253,157	2,959	26,543
Depreciation of property, plant and equipment	2,090,953	2,076,257	19,277	3,254
- Continuing operations	2,071,280	2,054,915	19,277	3,254
- Discontinued operation	19,673	21,342	-	-
Depreciation of right-of-use assets	459,062	638,946	140,435	52,065
Investment in subsidiary companies written off	-	-	100	-
Impairment loss on:				
- Investment in subsidiary companies	-	-	1,818,537	99,999
- Amount due from subsidiary companies	-	-	636,231	4,220,854
- Trade receivables	469,965	3,687,065	-	-
- Goodwill	1,040,608	-	-	-



# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 24. **Loss before Tax (Cont'd)**

Loss before tax is determined after charging/(crediting) amongst other, the following items:  
(Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		
Property, plant and equipment written off	811,878	1,588,590	-	-
- Continuing operations	781,692	1,588,590	-	-
- Discontinued operation	30,186	-	-	-
Discount received from lease liabilities	(26,261)	(174,569)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(940)	25,133	-	-
Government incentives	-	(54,000)	-	-
Loss/(Gain) on foreign exchange:				
- realised	569	3,007	-	-
- unrealised	-	(8,119)	-	-
Income from derecognition of right-of-use assets and lease liabilities	(195)	(51,273)	-	-
Interest income				
- cash and cash equivalents	(404,241)	(97,649)	(373,567)	(97,642)
- deposit with licensed bank	(212,061)	(45,317)	(212,061)	(45,317)
Reversal of provision for restoration cost	-	(300,000)	-	-
Rental income	(33,600)	(19,200)	(158,414)	-

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

24. **Loss before Tax (Cont'd)**

Loss before tax is determined after charging/(crediting) amongst other, the following items:  
(Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>Restated</b>			
Short-term leases:				
- Rental of machinery and equipment	14,171	4,625	-	100
- Rental of premises	127,800	549,450	-	19,500
- Continuing operations	127,800	441,900	-	-
- Discontinued operation	-	107,550	-	-
Amount due to holding company written off	-	(32,435)	-	-
Reversal of impairment losses recognised on other receivables	(100,000)	-	-	-
Waiver of debts	-	(18,089)	-	(18,089)
Unwinding of discount				
- Trade receivables	42,551	(1,433,717)	-	-
- Amount due from subsidiary companies	-	-	(60,830)	4,029,400

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

25. **Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		
<b>Tax expenses recognised in profit or loss:</b>				
Current tax provision	149,300	344,562	-	-
Under provision in prior years	26,626	46,781	-	-
	<u>175,926</u>	<u>391,343</u>	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>				
Relating to reversal of temporary differences	(4,017)	-	-	-
Under provision in prior years	15,881	-	-	-
	<u>11,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u>187,790</u>	<u>391,343</u>	<u>-</u>	<u>-</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

**NOTES TO THE FINANCIAL STATEMENTS**  
 (cont'd)

**25. Taxation (Cont'd)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		
Loss before tax				
- Continuing operations	(5,491,121)	(8,116,637)	(3,173,515)	(10,089,829)
- Discontinued operation	(38,510)	(689,139)	-	-
	<u>(5,529,631)</u>	<u>(8,805,776)</u>	<u>(3,173,515)</u>	<u>(10,089,829)</u>
At Malaysian statutory tax rate of 24% (2021: 24%)	(1,327,113)	(2,113,386)	(761,644)	(2,421,559)
Expenses not deductible for tax purposes	1,035,033	2,343,931	800,825	2,288,559
Income not subject to tax	(25,982)	(536,443)	(14,599)	-
Deferred tax assets not recognised	788,554	650,460	-	133,000
Utilisation of previously unrecognised tax assets	(325,209)	-	(24,582)	-
Under provision in respect of prior years				
- Taxation	26,626	46,781	-	-
- Deferred tax	<u>15,881</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u>187,790</u>	<u>391,343</u>	<u>-</u>	<u>-</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**25. Taxation (Cont'd)**

The Group and the Company have the following estimated unutilised capital allowances and unused tax losses available to carry forward to offset against future taxable profits. The said amount is subject to approval by the tax authorities.

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>Restated</b>			
Unabsorbed capital allowances				
- Continuing operations	15,300,602	12,117,688	47,336	32,857
- Discontinued operation	102,964	89,809	-	-
	15,403,566	12,207,497	47,336	32,857
Unutilised tax losses				
- Continuing operations	15,441,383	15,110,549	4,865,457	4,977,196
- Discontinued operation	2,082,037	2,058,571	-	-
	17,523,420	17,169,120	4,865,457	4,977,196
	32,926,986	29,376,617	4,912,793	5,010,053

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

With effects from year assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessment under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

25. **Taxation (Cont'd)**

Pursuant to Section 44(5F) of the Income Tax Act 1967 in Malaysia, the unutilised tax losses can only be carried forward until the following years of assessment.

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
YA2025	1,036,217	1,036,217	-	-
YA2026	9,875	9,875	-	-
YA2027	229,435	229,435	-	-
YA2028	10,634,891	10,634,891	3,768,900	3,768,900
YA2029	1,928,682	1,983,698	607,389	607,389
YA2030	815,480	1,311,321	40,433	40,433
YA2031	1,543,791	1,963,683	448,735	560,474
YA2032	1,325,049	-	-	-
	<u>17,523,420</u>	<u>17,169,120</u>	<u>4,865,457</u>	<u>4,977,196</u>

# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 26. **Loss Per Share**

### (a) Basic loss per share

The basic earnings per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
		<b>Restated</b>
Loss attributable to owners of the parent		
- From continuing operations	(5,678,911)	(8,507,980)
- From discontinued operation	(18,569)	(351,461)
Loss attributable to owners of the parent for basic earnings	<u>(5,697,480)</u>	<u>(8,859,441)</u>
Weighted average number of ordinary shares in issue (in shares):		
Issued ordinary shares at 1 July	946,424,339	353,294,982
Effect of shares issued during the year	47,191,553	185,238,556
Weighted average number of ordinary shares at 30 June	<u>993,615,892</u>	<u>538,533,538</u>
Basic loss per ordinary share (in sen)		
- From continuing operations	(0.57)	(1.58)
- From discontinued operation	(0.00)	(0.07)
	<u>(0.57)</u>	<u>(1.65)</u>



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

26. **Loss Per Share (Cont'd)**

(b) Diluted loss per share

Diluted earnings per share are calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
		<b>Restated</b>
Loss attributable to owners of the parent		
- From continuing operations	(5,678,911)	(8,507,980)
- From discontinued operation	(18,569)	(351,461)
Loss attributable to owners of the parent for basic earnings	<u>(5,697,480)</u>	<u>(8,859,441)</u>
Weighted average number of ordinary shares in issue in the calculation of basic earnings per share (in shares):	993,615,892	538,533,538
Potential dilution arising from outstanding warrants	<u>362,860,539</u>	<u>431,976,832</u>
Weighted average number of ordinary shares at 30 June	<u>1,356,476,431</u>	<u>970,510,370</u>
Diluted loss per ordinary shares (in sen)		
- From continuing operations	NA	NA
- From discontinued operation	NA	NA
	<u>NA</u>	<u>NA</u>

Diluted loss per ordinary share is not applicable for the current and previous financial year as the unexercised share options were anti-dilutive in nature, this is due to the average market share price of the Company being below the exercise price of share options.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**27. Employees Share Option Scheme (“ESOS”)**

At an extraordinary general meeting held on 29 November 2018, the Company's shareholders approved the establishment of an ESOS for eligible Directors and employees of the Group.

The salient features of the ESOS are as follows:

- (i) any employee of the Group shall be eligible if as at the date of offer, the employee:
  - (i) is at least eighteen (18) years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) he/she is employed full time by and on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group.
- (ii) any Director of the Group (excluding dormant subsidiaries) shall be eligible if as at the date of offer, the employee:
  - (i) is at least eighteen (18) years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) the Director is a director named in the register of directors of the Group which is not dormant;
  - (iii) specific allocation of new shares to the Director of the Company under the Scheme must have been approved by the shareholders of the Company in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the ESOS.
- (iii) any employee or Director of the Group (excluding dormant subsidiaries) who fulfil the criteria listed under section (a) and (b) should fulfil the following:
  - (i) the employee or Director who is a Malaysia Citizen, he or she has been in employment with the Group (excluding dormant subsidiaries) for a period of at least 1 year prior to and up to the date of offer; or
  - (ii) the employee or Director who is a non-Malaysian Citizen, he or she has been in employment with the Group on a full time contract for a period of at least 1 year prior to and up to the date of offer;
- (iv) The maximum number of new shares to be issued pursuant to the exercise of the shares which may be granted under the ESOS shall not exceed thirty percent (30%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the Employees Share Options;
- (v) The ESOS shall be in force for a period of five (5) years commencing from 5 December 2018;

# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 27. **Employees Share Option Scheme (“ESOS”) (Cont’d)**

The salient features of the ESOS are as follows: (Cont’d)

- (vi) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer except for non-executive Director who must not sell, transfer or assign any ESOS within 1 year from the date of offer;
- (vii) The option price of a new ordinary share under the ESOS shall be at the weighted average price of the shares for the five Market Days immediately preceding the date of offer with a discount of not more than ten percent (10%) or such other percentage of discount as maybe permitted by Bursa Securities or any other relevant authorities from time to time;
- (viii) Upon exercise of the options, the shares issued rank pari passu in all respects with the then existing ordinary shares of the Company; and
- (ix) The employees and Directors to whom the options have been granted have no right to vote at any general meeting of the Company, not entitled to any dividends, rights or other entitlements on his unexercised options.

As at 30 June 2022, there was no option offered to take up unissued ordinary share of the Company.

## 28. **Staff Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		
Directors' fee	350,421	197,500	327,421	197,500
Salaries, wages and other emoluments	3,300,056	2,721,895	648,759	597,467
Defined contribution plans	365,312	158,147	95,466	82,089
Social security contributions	29,323	85,358	5,136	4,900
Other benefits	103,106	55,763	24,685	24,881
	<u>4,148,218</u>	<u>3,218,663</u>	<u>1,101,467</u>	<u>906,837</u>
Analysed as:				
Staff costs attributable to continuing operations	4,148,218	2,661,840	1,101,467	906,837
Staff costs attributable to discontinued operation	-	556,823	-	-
	<u>4,148,218</u>	<u>3,218,663</u>	<u>1,101,467</u>	<u>906,837</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

**28. Staff Costs (Cont'd)**

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Director and Non-executive Directors of the Company and of the subsidiary companies during the financial year as below:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		
<b>Executive Directors</b>				
- Fees	108,548	56,000	85,548	56,000
- Salaries and other emoluments	769,774	616,067	256,774	211,917
- Defined contribution plans	111,192	80,797	44,502	33,386
- Social security contributions	3,157	3,002	1,309	1,308
- Other benefits	-	2,500	-	2,500
	<u>992,671</u>	<u>758,366</u>	<u>388,133</u>	<u>305,111</u>
<b>Non-executive Directors</b>				
- Fees	241,873	141,500	241,873	141,500
	<u>1,234,544</u>	<u>899,866</u>	<u>630,006</u>	<u>446,611</u>
Analysed as:				
Directors' remuneration attributable to continuing operations	1,234,544	848,532	630,006	446,611
Directors' remuneration attributable to continuing discontinued operation	-	51,334	-	-
	<u>1,234,544</u>	<u>899,866</u>	<u>630,006</u>	<u>446,611</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

29. **Reconciliation of Liabilities Arising from Financing Activities**

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

	Note	At 1 July RM	Financing cash flows (i) RM	New lease (Note 5) RM	Other changes (ii) RM	At 30 June RM
<b>Group</b>						
<b>2022</b>						
Lease liabilities	17	1,117,102	(434,951)	20,981	(5,491)	697,641
<b>2021</b>						
Lease liabilities	17	1,301,753	(676,024)	1,379,339	(887,966)	1,117,102
<b>Company</b>						
<b>2022</b>						
Lease liabilities	17	349,354	(132,712)	-	-	216,642
<b>2021</b>						
Lease liabilities	17	-	(45,554)	394,908	-	349,354

(a) The cash flows from loans and borrowings make up the net amount of proceeds from or repayments of lease liabilities in the statements of cash flows.

(ii) Being derecognition of lease liabilities during the financial year.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**30. Related Party Disclosures****(a) Identifying related parties**

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

**(b) Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 8, 9 and 19 to the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Transaction with subsidiary companies</b>				
Rental charged to Management and consultation fee charged to	-	-	(158,414)	-
Transfer of assets	-	-	(713,183)	(425,656)
Purchase of small value assets	-	-	2,222	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>439</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

30. **Related Party Disclosures (Cont'd)**

(b) Significant related party transactions (Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Transaction with related parties</b>				
Sales to related parties	10,237,885	2,166,557	-	-
Transportation expenses charged by	2,296,009	1,836,678	-	-
Rental charged by	126,000	173,760	-	-
Purchase of assets	-	8,100	-	-

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fees	350,421	197,500	327,421	197,500
Salaries and other emoluments	1,046,624	802,867	533,624	398,717
Defined contribution plans	145,781	104,561	79,091	57,150
Social security contributions	5,004	4,607	3,156	2,913
Other benefits	-	2,500	-	2,500
	<b>1,547,830</b>	<b>1,112,035</b>	<b>943,292</b>	<b>658,780</b>



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**31. Segment Information**

For management purposes, the Group is organised into business units based on the nature of products and services and has three reportable segments as follows:

- (i) Information, communication and technology (“ICT”)
  - Trading of telecommunication products; and
  - Distribution and marketing of information and communication technology products.
- (ii) Event management
  - Event and artist management; and
  - Stage and event contractions.
- (iii) Financial solutions
  - Provision of money lending service.

Other reporting segments that do not constitute reportable segments comprise operations related to investment holdings, provision of car jockey services, restaurant operator and provision of business management consultant services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS  
(cont'd)

31. Segment information (Cont'd)

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

	Continuing operations			Discontinued operation		Adjustment and eliminations	Consolidated
	ICT RM	Event management RM	Financial Solutions RM	Other operating segments RM	Event management RM		
<b>2022</b>							
<b>Revenue</b>							
External customers	20,635,071	11,099,935	1,278,792	536,604	-	-	33,550,402
Inter-segment	-	-	2,186	-	-	(2,186)	-
Total revenue	20,635,071	11,099,935	1,280,978	536,604	-	(2,186)	33,550,402
<b>Results</b>							
Interest income	30,674	-	-	585,628	-	-	616,302
Finance costs	(23,580)	(29,454)	(104,175)	(17,528)	(2,186)	63,016	(113,907)
Depreciation of property, plant and equipment	(36,719)	(1,993,914)	(17,253)	(23,394)	(19,673)	-	(2,090,953)
Depreciation of right-of use assets	(150,331)	(149,674)	(18,622)	(140,435)	-	-	(459,062)
Income tax expenses	(17,522)	(8,370)	(152,715)	(9,183)	-	-	(187,790)
(Loss)/Profit after tax	(1,378,890)	(2,201,625)	169,518	(3,679,988)	(40,696)	1,414,260	(5,717,421)

# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 31. Segment Information (Cont'd)

	Continuing operations			Discontinued operation		Adjustment and eliminations RM	Consolidated RM
	ICT RM	Event management RM	Financial Solutions RM	Other operating segments RM	Event management RM		
<b>2022</b>							
<b>Segment Assets</b>							
Additions to non-current assets	4,094	9,218,974	116,069	98,996	-	-	9,438,133
Segment assets	3,372,287	22,493,256	19,989,881	60,412,016	1,926,452	(36,256,648)	71,937,244
<b>Segment Liabilities</b>							
Segment liabilities	27,029,252	31,654,289	14,882,480	14,587,826	3,762,515	(81,850,144)	10,066,218
<b>Other non-cash items</b>							
Bad debts written off	101,420	-	-	-	-	-	101,420
Gain on disposal of property, plant and equipment	-	-	-	(940)	-	-	(940)
Impairment loss on:							
- Trade receivables	121,400	-	348,565	-	-	-	469,965
- Investment in subsidiary companies	-	-	-	1,818,537	-	(1,818,537)	-
- Amount due from subsidiary companies	-	-	-	636,231	-	(636,231)	-
- Goodwill	-	-	-	-	-	1,040,608	1,040,608

# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 31. Segment Information (Cont'd)

	Continuing operations			Discontinued operation		Adjustment and eliminations RM	Total segments RM	Consolidated RM
	ICT RM	Event management RM	Financial Solutions RM	Other operating segments RM	Event management RM			
<b>2022</b>								
<b>Other non-cash items</b>								
Reversal of impairment of other receivables	-	(100,000)	-	-	-	-	(100,000)	(100,000)
Unrealised loss on foreign exchange	569	-	-	-	-	-	569	569
Unwinding of discount:								
- Trade receivables	-	-	42,551	-	-	-	42,551	42,551
- Amount due from subsidiary companies	-	-	(60,830)	60,830	-	-	-	-
Property, plant and equipment written off	72,211	709,481	-	-	30,186	-	811,878	811,878

# NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

## 31. Segment Information (Cont'd)

	Continuing operations				Discontinued operation		Adjustment and eliminations	Consolidated
	ICT RM	Event management RM	Retail management RM	Financial Solutions RM	Other operating segments RM	Event management RM		
<b>2021 (Restated)</b>								
<b>Revenue</b>								
External customers	27,860,711	2,454,583	465,128	493,670	316,199	194,600	-	31,784,891
Inter-segment	809	-	-	8,224	-	64,500	(73,533)	-
<b>Total revenue</b>	<b>27,861,520</b>	<b>2,454,583</b>	<b>465,128</b>	<b>501,894</b>	<b>316,199</b>	<b>259,100</b>	<b>(73,533)</b>	<b>31,784,891</b>
<b>Results</b>								
Interest income	2	5	-	63,447	142,959	-	(63,447)	142,966
Finance costs	(8,748)	(42,303)	(418,072)	(2,018)	(4,042,910)	(6,559)	4,452,124	(68,486)
Depreciation of property, plant and equipment	-	(870,225)	(1,167,693)	(12,608)	(4,389)	(21,342)	-	(2,076,257)
Depreciation of right-of-use assets	(37,583)	(167,909)	(334,254)	(47,135)	(52,065)	-	-	(638,946)
Income tax expenses	(318,236)	(3,000)	-	(70,107)	-	-	-	(391,343)
(Loss)/Profit after tax	(2,930,603)	(1,411,147)	(3,074,393)	1,497,239	(11,328,809)	(689,139)	8,739,733	(9,197,119)
<b>Segment Assets</b>								
Additions to non-current assets	-	26,847	-	-	61,912	24,776	28,427	141,962
<b>Segment assets</b>	<b>7,377,684</b>	<b>7,516,759</b>	<b>1,994,265</b>	<b>21,658,105</b>	<b>58,095,751</b>	<b>1,977,700</b>	<b>(23,869,878)</b>	<b>74,750,386</b>

NOTES TO THE FINANCIAL STATEMENTS  
(cont'd)

31. Segment Information (Cont'd)

	Continuing operations				Discontinued operation		Adjustment and eliminations RM	Total segments RM	Consolidated RM
	ICT RM	Event management RM	Retail management RM	Financial Solutions RM	Other operating segments RM	Event management RM			
<b>2021 (Restated)</b>									
<b>Segment Liabilities</b>									
Segment liabilities	8,615,446	14,476,167	23,034,578	16,720,222	13,872,619	3,773,067	(68,049,114)	80,492,099	12,442,985
<b>Other non-cash items</b>									
Bad debts written off	(9,000)	(83,500)	-	(240,657)	-	(920,000)	-	(1,253,157)	(1,253,157)
Impairment loss on:									
- Trade receivables	(3,496,049)	-	(159,605)	-	-	(31,411)	-	(3,687,065)	(3,687,065)
- Investment in subsidiary companies	-	-	-	-	(100,999)	-	100,999	-	-
- Amount due from subsidiary companies	-	-	-	-	(4,229,854)	-	4,229,854	-	-
Reversal of provision of restoration cost	-	-	300,000	-	-	-	-	300,000	300,000
Loss on disposal of property, plant and equipment	-	(25,133)	-	-	-	-	-	(25,133)	(25,133)

# NOTES TO THE FINANCIAL STATEMENTS

(cont'd)

## 31. Segment Information (Cont'd)

	Continuing operations				Discontinued operation		Adjustment and eliminations RM	Consolidated RM
	ICT RM	Event management RM	Retail management RM	Financial Solutions RM	Other operating segments RM	Event management RM		
<b>2021 (Restated)</b>								
<b>Other non-cash items</b>								
Unrealised gain on foreign exchange	-	8,119	-	-	-	-	-	8,119
Unwinding of discount:								
- Trade receivables	-	-	-	(1,433,717)	-	-	-	(1,433,717)
- Amount due from subsidiary companies	-	-	-	-	4,029,400	-	(4,029,400)	-
Property, plant and equipment written off	-	(807)	(1,587,783)	-	-	-	-	(1,588,590)



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

31. **Segment Information (Cont'd)**

Geographical information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

Major customers

Revenue from 4 (2021: 2) major customers in the ICT and event management segments represent approximately amount to RM16,022,340 (2021: RM6,752,448) or 48% (2021: 21%) of the Group's revenue.

32. **Financial instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expenses, including fair values gains and losses are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Group</b>			
<b>2022</b>			
<b>Financial Assets</b>			
Trade receivables	21,994,525	-	21,994,525
Other receivables	177,991	-	177,991
Fixed deposits with licensed banks	10,358,900	-	10,358,900
Cash and bank balances	20,500,429	-	20,500,429
	<u>53,031,845</u>	<u>-</u>	<u>53,031,845</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)32. **Financial Instruments (Cont'd)**

## (a) Classification of financial instruments (Cont'd)

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Group</b>			
<b>2022</b>			
<b>Financial Liabilities</b>			
Trade payables	-	3,211,799	3,211,799
Other payables	-	5,407,054	5,407,054
Lease liabilities	-	697,641	697,641
	-	9,316,494	9,316,494
<b>2021</b>			
<b>Financial Assets</b>			
Trade receivables	11,333,053	-	11,333,053
Other receivables	3,618,462	-	3,618,462
Fixed deposits with licensed banks	10,045,317	-	10,045,317
Cash and bank balances	36,546,340	-	36,546,340
	61,543,172	-	61,543,172
<b>Financial Liabilities</b>			
Trade payables	-	6,751,869	6,751,869
Other payables	-	4,301,100	4,301,100
Lease liabilities	-	1,117,102	1,117,102
	-	12,170,071	12,170,071

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

32. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Company</b>			
<b>2022</b>			
<b>Financial Assets</b>			
Other receivables	48,857	-	48,857
Amount due from subsidiary companies	34,343,872	-	34,343,872
Fixed deposits with licensed banks	10,257,378	-	10,257,378
Cash and bank balances	13,195,455	-	13,195,455
	<u>57,845,562</u>	<u>-</u>	<u>57,845,562</u>
<b>Financial Liabilities</b>			
Other payables	-	103,459	103,459
Lease liabilities	-	216,642	216,642
	<u>-</u>	<u>320,101</u>	<u>320,101</u>
<b>2021</b>			
<b>Financial Assets</b>			
Other receivables	48,828	-	48,828
Amount due from subsidiary companies	21,376,794	-	21,376,794
Fixed deposits with licensed banks	10,045,317	-	10,045,317
Cash and bank balances	22,524,313	-	22,524,313
	<u>53,995,252</u>	<u>-</u>	<u>53,995,252</u>
<b>Financial Liabilities</b>			
Other payables	-	163,396	163,396
Lease liabilities	-	349,354	349,354
	<u>-</u>	<u>512,750</u>	<u>512,750</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**32. Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies**

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

**(i) Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines 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. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period. There are no significant changes as compared to previous financial year.

At the end of the reporting period, approximately 85% (2021: 85%) of the Group's trade receivables were due from 3 (2021: 1) major customers who are financial borrowers located in Malaysia.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

### 32. Financial Instruments (Cont'd)

- (b) Financial risk management objectives and policies (Cont'd)
- (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within			Total contractual cash flows	Total carrying amount
	1 year	1 - 2 years	2 - 5 years		
	RM	RM	RM	RM	RM
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	3,211,799	-	-	3,211,799	3,211,799
Other payables	5,407,054	-	-	5,407,054	5,407,054
Lease liabilities	463,011	252,650	28,646	744,307	697,641
	9,081,864	252,650	28,646	9,363,160	9,316,494
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	6,751,869	-	-	6,751,869	6,751,869
Other payables	4,301,100	-	-	4,301,100	4,301,100
Lease liabilities	445,690	508,105	192,592	1,146,387	1,117,102
	11,498,659	508,105	192,592	12,199,356	12,170,071

NOTES TO THE FINANCIAL STATEMENTS  
(cont'd)

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Company</b>					
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	103,459	-	-	103,459	103,459
Lease liabilities	150,240	80,774	-	231,014	216,642
	253,699	80,774	-	334,473	320,101
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	163,396	-	-	163,396	163,396
Lease liabilities	157,350	150,240	80,774	388,364	349,354
	320,746	150,240	80,774	551,760	512,750



NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**32. Financial Instruments (Cont'd)****(c) Interest rate risk**

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amount as at the end of the reporting period was:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Fixed rate instruments</b>		
Financial assets	29,471,555	19,624,296
Financial liability	(697,641)	(1,117,102)
	<u>28,773,914</u>	<u>18,507,194</u>
<b>Company</b>		
<b>Fixed rate instruments</b>		
Financial assets	10,257,378	10,045,317
Financial liability	(216,642)	(349,354)
	<u>10,040,736</u>	<u>9,695,963</u>

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

**32. Financial Instruments (Cont'd)**

(c) Interest rate risk (Cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(d) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

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

(e) Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

**33. Capital Management**

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)34. **Significant Events**

- (a) On 29 December 2021, the Company allotted and issued 189,284,800 Placement Shares in the capital to the third-party investors at an issue price of RM0.0279 per share pursuant purposed Private Placement up to 20% of the total number issues shares of the Company.

- (b) Material Litigation

Shah Alam High Court Civil Suit No. BA-22NCvC-41-01/2022: Trumpet International Sdn. Bhd. ("Plaintiff") v Mr. Luah Aik Teong ("Defendant")

On 11 February 2022, the Plaintiff filed the Writ and Statement of Claim against the Defendant seeking, inter alia:

- (i) The Defendant do pay the Plaintiff the sum of RM4,900,000 forthwith;
- (ii) The Defendant do pay the Plaintiff agreed late payment interest at the rate of 3% per month calculated from the following due date of the said payment:
  - a. The amount of RM900,000 calculated from 31 December 2019;
  - b. The amount of RM1,000,000 calculated from 31 January 2020;
  - c. The amount of RM1,000,000 calculated from 29 February 2020;
  - d. The amount of RM1,000,000 calculated from 31 March 2020; and
  - e. The amount of RM1,000,000 calculated from 30 April 2020,

Until the full and final settlement of this Judgement Debt.

- (iii) the costs of this action be paid by the Defendant to the Plaintiff together with interest thereon at the rate of 5% per annum from the date of Judgement until the full and final settlement of the costs

On 10 March 2022, the Shah Alam High Court had during the case management recorded that judgement in default was granted in favour of Plaintiff as above.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)

34. **Significant Events (Cont'd)**

(b) **Material Litigation (Cont'd)**

Shah Alam High Court Civil Suit No. BA-22NCvC-41-01/2022: Trumpet International Sdn. Bhd. ("Plaintiff") v Mr. Luah Aik Teong ("Defendant") (Cont'd)

On 2 June 2022, the Plaintiff filed a fair order in the High Court at Shah Alam, Pursuant to the Fair Order, the Court has approved to serve the sealed Bankruptcy Notice to the Defendant in the following manner: -

- (a) by affixing a copy of the Fair Order and a copy of the Bankruptcy Notice on the notice board of the High Court at Shah Alam and at the last address of the Defendant; and
- (b) by advertising a notice on The Star newspaper for one (1) day.

Carrying out the matters as set out in (i) and (ii) above shall be deemed effective and sufficient for the service of the Bankruptcy Notice on the Defendant after fourteen (14) days from the date the matters as set out in (i) and (ii) above are carried of such pasting or advertising.

- (c) On 27 May 2022, the Company informed the Board on the plan to dispose Level Up Plus Sdn. Bhd. ("LUP"), and the terms of the transaction were finalised on 30 June 2022. On 1 July 2022, the Board approved on the disposal of LUP. The Company has entered into a Share Sales Agreement with a related party for the disposal of all the equity interest in LUP, for a cash consideration of Ringgit Malaysia One Thousand (RM1,000) only. Consequently, LUP has ceased to be an indirect partially-owned subsidiary company of the Company.

35. **Subsequent Events**

- (a) On 2 September 2022, the Board approved on the disposal of Macpie Distribution Sdn. Bhd. ("MD"). The Company has entered into a Share Sales Agreement with a third party for the disposal of all the equity interest in MD for a cash consideration of Ringgit Malaysia One Hundred Thousand (RM100,000) only. Consequently, MD has ceased to be a direct wholly-owned subsidiary company of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**  
(cont'd)**36. Comparative Information**

- (a) The financial statements of the Company for the financial year ended 30 June 2021 were audited by another firm of auditor.
- (b) Certain comparatives were restated to conform with current financial year's presentation as below:

	As previously reported RM	Effects on disposal group held for sale and discontinued RM	As restated RM
<b>Group</b>			
<b>30.06.2021</b>			
Revenue	31,784,891	(194,600)	31,590,291
Cost of sales	(30,221,210)	457,665	(29,763,545)
Other income	2,266,610	6,559	2,273,169
Administrative expenses	(6,097,944)	388,104	(5,709,840)
Net loss on impairment of financial instruments	(3,687,065)	31,411	(3,655,654)
Loss before tax	<u>(8,805,776)</u>	<u>689,139</u>	<u>(8,116,637)</u>

**37. Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 October 2022.

## ANALYSIS OF SHAREHOLDINGS

AS AT 25 OCTOBER 2022

### ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares	:	1,135,709,139 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS (BASED ON THE RECORD OF DEPOSITORS)

Size of Shareholdings	No. of Shareholders	No. of Shares Held	%
1 - 99	123	5,130	*
100 - 1,000	645	314,574	0.03
1,001 - 10,000	1,921	11,901,400	1.05
10,001 - 100,000	2,730	112,832,285	9.93
100,001 to less than 5% of issued shares	784	609,870,350	53.70
5% and above of issued shares	3	400,785,400	35.29
<b>TOTAL</b>	<b>6,206</b>	<b>1,135,709,139</b>	<b>100.00</b>

\* Less than 0.01%

### LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Name of Shareholders	No. of Shares Held	%
1. Affin Hwang Nominees (Asing) Sdn. Bhd. Exempt AN for Sanston Financial Group Limited (Account Client)	218,851,200	19.27
2. HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for the HongKong and Shanghai Banking Corporation Limited (GCHK-LAZARUS)	101,934,200	8.98
3. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pak Hong (7001583)	80,000,000	7.04
4. MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. For Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund	46,000,000	4.05
5. Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN for Standard Chartered Bank Singapore (EFGBHK-ASING)	42,649,600	3.76
6. Ting Khin Soon	32,000,000	2.82
7. Woon Jing Wei	27,000,000	2.38
8. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Exempt AN for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	25,013,500	2.20
9. Kong Kok Keong	11,000,000	0.97
10. Chai Koon Khaw	10,276,800	0.90

ANALYSIS OF **SHAREHOLDINGS**  
(cont'd)**LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)**  
**(BASED ON THE RECORD OF DEPOSITORS)**  
**(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)**

Name of Shareholders		No. of Shares Held	%
11.	Lee Peck Kui	9,500,000	0.84
12.	Tan Yoke Theng	7,400,000	0.65
13.	Chung Kin Chuan	7,000,000	0.62
14.	Quek Hong Jie	6,481,500	0.57
15.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Poh Chen (STA 1)	6,317,500	0.56
16.	Tan Yoke Cheong	6,098,900	0.54
17.	Lai Tze Jin	5,550,000	0.49
18.	Wong Ngie Tien	5,430,200	0.48
19.	Lam Boon Wai	5,216,800	0.46
20.	Ong Seng Guan	5,000,000	0.44
21.	Ling Kee Ong	4,893,100	0.43
22.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for BNP Paribas (LONPBCLR-3PTY)	4,767,600	0.42
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Siong Keat (CHE2692C)	4,100,000	0.36
24.	Quek Yong Wah	3,900,000	0.34
25.	Swee Yok Chin	3,750,000	0.33
26.	Quek Jia Yi	3,700,000	0.33
27.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Chong Siau Yian	3,500,000	0.31
28.	Mok Ching Yam	3,400,000	0.30
29.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Loong Chen	3,300,000	0.29
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chen Huang Guang (E-TCS)	3,300,000	0.29
<b>TOTAL</b>		<b>697,330,900</b>	<b>61.40</b>



## ANALYSIS OF **SHAREHOLDINGS** (cont'd)

### LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Substantial Shareholders	Direct	No. of Shares Held		%
		%	Indirect	
1. XOX (Hong Kong) Limited	171,000,000	15.06	—	—
2. XOX Bhd	—	—	171,000,000 ^	15.06
3. Key Alliance Group Berhad	140,451,200	12.37	—	—
4. ACE Solution Investments Limited	140,000,000	12.33	—	—
5. Lim Pak Hong	80,000,000	7.04	—	—

^ Deemed interested by virtue of Section 8 of the Companies Act 2016 through its shareholding in XOX (Hong Kong) Limited

### LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct	No. of Shares Held		%
		%	Indirect	
1. YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	—	—	—	—
2. Koo Kien Keat	—	—	—	—
3. Andy Liew Hock Sim	—	—	—	—
4. Lionel Vernon Yong Nguon Kee	—	—	—	—
5. Lee Kien Fatt	—	—	—	—
6. Woon Sing Jiunn	—	—	—	—

# ANALYSIS OF WARRANTS B HOLDINGS

AS AT 25 OCTOBER 2022

No. of Outstanding Warrants : 431,976,832  
 Exercise Price of Warrants : RM0.16  
 Exercise Period of Warrants : 9 March 2021 to 8 March 2024

## DISTRIBUTION OF WARRANT HOLDINGS (BASED ON THE RECORD OF DEPOSITORS)

Size of Warrant Holdings	No. of Warrant Holders	No. of Warrants Held	%
1 - 99	327	13,614	*
100 - 1,000	440	216,565	0.05
1,001 - 10,000	1,420	8,352,603	1.93
10,001 - 100,000	2,510	105,631,075	24.45
100,001 to less than 5% of the issued warrants	780	317,762,975	73.56
5% and above of the issued warrants	—	—	0.00
<b>Total</b>	<b>5,477</b>	<b>431,976,832</b>	<b>100.00</b>

\* Less than 0.01%

## LIST OF 30 LARGEST WARRANTS ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(WITHOUT AGGREGATING WARRANTS FROM DIFFERENT WARRANTS ACCOUNT BELONGING TO THE SAME REGISTERED WARRANT HOLDER)

Name of Warrant Holders	No. of Warrants Held	%
1. Hen Yet Keow	7,000,000	1.62
2. Maybank Nominees (Tempatan) Sdn. Bhd. Radin Zulkar Nain bin Radin Abdul Rahman	6,800,000	1.57
3. Michael Thien Vui Kiong	5,934,050	1.37
4. Ang Jiun Pey	4,930,000	1.14
5. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Kok Keong (E-TAI)	4,900,000	1.13
6. Foo Fook Min	4,445,300	1.03
7. Lok Wei Seong	4,352,200	1.01
8. Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chen Teck Long (STA 2)	3,300,000	0.76
9. Yeap Shiaw Fae	3,138,800	0.73
10. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Zawawi bin Zakaria	2,886,800	0.67

## ANALYSIS OF WARRANTS B HOLDINGS (cont'd)

### LIST OF 30 LARGEST WARRANTS ACCOUNT HOLDERS (CONT'D) (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING WARRANTS FROM DIFFERENT WARRANTS ACCOUNT BELONGING TO THE SAME REGISTERED WARRANT HOLDER)

Name of Warrant Holders	No. of Warrants Held	%
11. Jacinta Wong Ngouk Hua	2,500,000	0.58
12. RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soo Siew Seng (CEB)	2,500,000	0.58
13. Ng Lai Heng	2,400,000	0.56
14. Maybank Nominees (Tempatan) Sdn. Bhd. Tay Sian Tuan	2,300,000	0.53
15. Muhammad Zulhelmi bin Zamiri	2,198,800	0.51
16. Lim Hock Lai	2,184,200	0.51
17. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lok Wei Seong (E-BPJ)	2,100,000	0.49
18. Daren Yoon Thai On	1,905,000	0.44
19. Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn Bhd for Soh Wei Jun	1,900,000	0.44
20. CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt AN for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	1,816,100	0.42
21. Muhammad Farhan bin Ahdon	1,810,000	0.42
22. Joon bin Ibrahim	1,800,000	0.42
23. Lau Fui Seng	1,662,000	0.38
24. Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Choong Yoke Peng	1,650,000	0.38
25. Elecsoft Solution Sdn. Bhd.	1,600,000	0.37
26. Chong Yun Cheun	1,555,000	0.36
27. Chew Chee Peng	1,500,000	0.35
28. Ong Teng Joao	1,500,000	0.35
29. Yong Sin Yen	1,500,000	0.35
30. Cheng Mei Na	1,491,000	0.35
<b>Total</b>	<b>85,559,250</b>	<b>19.81</b>

### DIRECTORS' WARRANT HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANT HOLDINGS)

Name of Directors	Direct	No. of Warrants Held %	Indirect	%
1. YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	—	—	—	—
2. Koo Kien Keat	—	—	—	—
3. Andy Liew Hock Sim	—	—	—	—
4. Lionel Vernon Yong Nguon Kee	—	—	—	—
5. Woon Sing Jiunn	—	—	—	—
6. Lee Kien Fatt	—	—	—	—

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Seventeenth Annual General Meeting (“**17th AGM**” or “**Meeting**”) of XOX Networks Berhad (formerly known as Macpie Berhad) (“**XOX Networks**” or the “**Company**”) will be held and conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 25 November 2022 at 2.30 p.m. or at any adjournment thereof to transact the following business:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees of up to RM550,000 for the financial year ending 30 June 2023. **(Ordinary Resolution 1)**
3. To re-elect the following Directors who retire by rotation in accordance with Article 107 of the Company’s Constitution and who being eligible, have offered themselves for re-election:
  - (i) Mr. Koo Kien Keat; and **(Ordinary Resolution 2)**
  - (ii) Ms. Woon Sing Jiunn **(Ordinary Resolution 3)**
4. To re-appoint Messrs UHY as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

### AS SPECIAL BUSINESS

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

5. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 5)**

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting (“**Mandate**”);

## NOTICE OF **ANNUAL GENERAL MEETING** (cont'd)

**THAT** approval be and is hereby given for the waiver of the statutory pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act 2016 and Article 59 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

**AND THAT** the Board of Directors ("**Board**") of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate."

### 6. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Existing Shareholders' Mandate")** (Ordinary Resolution 6)

**"THAT**, subject to the provisions of the ACE Market Listing Requirements of Bursa Securities and/or any other applicable laws, regulations and guidelines, approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate dated 31 October 2022 provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations, made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

**THAT** such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which this ordinary resolution for the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it will lapse, unless the authority is renewed by an ordinary resolution passed at the next annual general meeting;
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever is the earlier;

## NOTICE OF **ANNUAL GENERAL MEETING** (cont'd)

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things and take all such steps and to execute all such transactions, deeds, agreements, arrangements and/or undertakings as the Directors in their discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of Existing Shareholders' Mandate and such transactions as authorised by this ordinary resolution with full powers to assent to any modifications, variations and/or amendments thereto."

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and/or the Constitution of the Company.

### BY ORDER OF THE BOARD

**CHEN WEE SAM**  
(LS 0009709)  
(SSM PC No. 202008002853)  
Company Secretary

Kuala Lumpur  
31 October 2022

### Notes:

#### **A. Appointment of Proxy(ies)**

- i. A member of the Company entitled to attend and vote is entitled to appoint a maximum of two (2) proxies to attend, participate (including to pose questions to the Board of the Company) and vote in his/her/its stead. Where a member appoints two (2) proxies to attend, participate and vote at the 17th AGM, he/she/it shall specify the proportions of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

Please read and follow the procedures as set out in the Administrative Guide of the 17th AGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) in order to register, participate and vote remotely.

- ii. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 17th AGM. No members/proxies/corporate representatives/attorneys from the public shall be physically present at the Broadcast Venue on the day of the 17th AGM.
- iii. For the purpose of determining a member who shall be entitled to attend the 17th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 18 November 2022. Only a depositor whose name appears on the Record of Depositors as at 18 November 2022 shall be entitled to attend, participate and vote at the 17th AGM or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### Notes: (Cont'd)

#### **A. Appointment of Proxy(ies) (Cont'd)**

- iv. A proxy may but need not be a member of the Company.
- v. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the share registrar office of the Company, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 17th AGM or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid. The instrument appointing a proxy transmitted by facsimile or electronic mail will not be accepted.
- vi. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- vii. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- viii. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- ix. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in this Notice will be put to vote by way of poll.

### Explanatory Note on Ordinary Business

#### **B. Audited Financial Statements for the financial year ended 30 June 2022**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

#### **C. Ordinary Resolution 1: Payment of Directors' Fees**

Section 230(1) of the Companies Act 2016 provides that the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and/or benefits for the financial year ending 30 June 2023.



## NOTICE OF **ANNUAL GENERAL MEETING** (cont'd)

### Explanatory Note on Ordinary Business (Cont'd)

#### **D. Ordinary Resolutions 2 and 3: Re-election of Directors**

Mr. Koo Kien Keat and Ms. Woon Sing Jiunn ("Retiring Directors"), who retire by rotation in accordance with Article 107 of the Company's Constitution, are eligible and have offered themselves for re-election as Directors at the 17th AGM of the Company.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 17th AGM, the Board through its Nomination Committee had assessed the Retiring Directors, and considered the following:

- (i) The Directors' performance and contribution;
- (ii) The Directors' skills, experience and strength in qualities; and
- (iii) The Directors' ability to act in the best interest of the Company in decision-making.

The Retiring Directors had abstained themselves from all deliberations and decisions on their own respective proposed re-election as Directors at the Board of Directors' Meeting.

#### **E. Ordinary Resolution 4: Re-appointment of Auditors**

The Audit and Risk Management Committee ("ARMC") has assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Messrs. UHY as External Auditors of the Company for the financial year ending 30 June 2023. The Board has in turn reviewed the recommendation of the ARMC and recommended the same for the shareholders' approval at the 17th AGM of the Company.

### Explanatory Notes on Special Business

#### **F. Ordinary Resolution 5: Authority to Allot and Issue and Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

Ordinary Resolution 5 is proposed pursuant to Sections 75 and 76 of the Companies Act 2016 for the purpose of obtaining a renewed general mandate ("**Renewed General Mandate**"), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of shares issued pursuant to the Renewed General Mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This Renewed General Mandate will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier. This Renewed General Mandate, if granted, will provide flexibility to the Company 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 ordinary shares in the Company were issued pursuant to the general mandate granted to the Directors at the Sixteenth Annual General Meeting of the Company held on 30 November 2021 and it will lapse at the conclusion of the 17th AGM of the Company.

#### **G. Ordinary Resolution 6: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 6, if passed, will authorise the Company and/or its subsidiary to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company in general meeting, will expire at the next annual general meeting of the Company. Please refer to the Circular to Shareholders dated 31 October 2022 for further information.

## STATEMENT ACCOMPANYING NOTICE OF SEVENTEENTH **ANNUAL GENERAL MEETING ("17TH AGM")**

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. No individual is seeking election as a Director of the Company at the 17th AGM.
2. Details of the general mandate to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note F of the Notice of 17th AGM.

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**XOX NETWORKS BERHAD**  
(formerly known as MACPIE BERHAD)  
Registration No. 200501002315 (679361-D)  
(Incorporated in Malaysia)

### FORM OF PROXY

I/We, \_\_\_\_\_ NRIC/Passport/Company Registration No. \_\_\_\_\_  
(Full Name in Block Letters)

of \_\_\_\_\_  
(FULL ADDRESS)

contact no. \_\_\_\_\_ email address \_\_\_\_\_ being a member of **XOX Networks Berhad** (formerly known as Macpie Berhad) ("Company") hereby appoint:

<b>Full Name (in capital letters):</b>	<b>NRIC/Passport No.:</b>
<b>Full Address (in capital letters):</b>	<b>Contact No.:</b> <b>Email Address:</b>

and/or

<b>Full Name (in capital letters):</b>	<b>NRIC/Passport No.:</b>
<b>Full Address (in capital letters):</b>	<b>Contact No.:</b> <b>Email Address:</b>

or failing \*him/her, the CHAIRMAN OF THE MEETING as \*my/our proxy/proxies to attend and vote for \*me/us and on \*my/our behalf at the Seventeenth Annual General Meeting ("17th AGM") of the Company to be held and conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 25 November 2022 at 2.30 p.m. or at any adjournment thereof.

\*My/our proxy is authorised to vote as indicated below:

No.	Ordinary Resolution	In Favour	Against
1.	To approve the payment of Directors' fees for the financial year ending 30 June 2023		
2.	Re-election of Mr. Koo Kien Keat as Director of the Company		
3.	Re-election of Ms. Woon Sing Jiunn as Director of the Company		
4.	Re-appointment of Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration		
5.	Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with a tick (✓) in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

CDS Account No.	
No. of shares held	

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

For appointment of 2 proxies, percentage of shareholdings to be represented by each proxy:		
	No. of Shares	%
Proxy 1		
Proxy 2		
Total		100%

\_\_\_\_\_  
**Signature(s)/Common Seal of member(s)**

#### Notes:

- A member of the Company entitled to attend and vote is entitled to appoint a maximum of two (2) proxies to attend, participate (including to pose questions to the Board of Directors of the Company) and vote in his/her/its stead. Where a member appoints two (2) proxies to attend, participate and vote at the 17th AGM, he/she/it shall specify the proportions of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.  
Please read and follow the procedures as set out in the Administrative Guide of the 17th AGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) in order to register, participate and vote remotely.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 17th AGM. No members/proxies/corporate representatives/attorneys from the public shall be physically present at the Broadcast Venue on the day of the 17th AGM.
- For the purpose of determining a member who shall be entitled to attend the 17th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 18 November 2022. Only a depositor whose name appears on the Record of Depositors as at 18 November 2022 shall be entitled to attend, participate and vote at the 17th AGM or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.



**Notes: (Cont'd)**

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- ix. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX  
STAMP

**SHARE REGISTRAR OF**  
**XOX NETWORKS BERHAD**  
*(formerly known as Macpie Berhad)*  
Registration No. 200501002315 (679361-D)

**ShareWorks Sdn Bhd**  
Registration No.: 199101019611 (229948-U)  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Malaysia

2nd Fold Here

Fold This Flap For Sealing





**XOX NETWORKS BERHAD**  
200501002315 (679361-D)

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