Design-Thinking Workshop

We hold regular workshops to generate ideas for new products and brainstorm on new digital solutions that work

Design-Thinking Workshop

Annual General Meeting (AGM)

We showcase our performance to our Shareholders and share with Media our host of products and services. Members of the Media understand us better and believe in our efforts to help the underserved. They believe in our efforts to bring digitalisation to the masses.

Annual General Meeting

'Jelajah Kehakiman' Roadshow 🚗

Our most successful product has helped many solve their payment issues when making bail payments. eJamin has lightened the load and anxiety of making bail payments for loved ones and has made the jobs of court officers easier. We are now in over 178 courts throughout Malaysia.

'Jelajah Kehakiman' Roadshow

'Jelajah Kehakiman' Sarawak Roadshow 🚗

We are proud to participate with the Palace of Justice during their nationwide roadshow to showcase the Malaysian Judicial system as well as Pertama Digital's suite of services.

'Jelajah Kehakiman' Sarawak Roadshow

e-Jamin Roadshow (Zone Utara) 🚗

We actively engage with courts nationwide to educate and train court officers on the benefits of using eJamin. We have received countless positive feedback on the effectiveness of our visits and clarity it provides.

eJamin Roadshow (Zon Utara)

Second MyPay Coin Conversion Booth @ Berjaya Time Square

We have successfully opened our second location for Coin Conversion in Berjaya Times Square Mall in the heart of Kuala Lumpur. And we are moving quickly to expand to more outlets nationwide.

Apart from converting coins to cash in your account, we will now offer retailers the opportunity to purchase coins without having the need to visit a bank.

Our Second Coin Conversion Booth @ Berjaya Time Square, Kuala Lumpur

Activities in conjunction with Hari Kemerdekaan

Connecting with the Rakyat on Merdeka Day.

Hari Kemerdekaan with MyPay Coin Conversion

IFN Asia Forum 2022 🎤

We participated in international forums to share our ideas and experiences with the world.

IFN Asia Forum

INCEIF University Talk at the Islamic Fintech Dialogue 2022

Knowledge sharing our capabilities.

INCEIF University talk

Board of Directors Retreat @ Janda Baik

A splendid session where our plans for 2023 were presented and agreed upon by our Board of Directors.

Board of Directors Retreat @ Janda Baik

Management Discussion and Analysis

The following Management Discussion and Analysis is a review on the Company and the Group and shall be read in conjunction with the audited financial statements as well as the Strategic Reports.

Background

Pertama Digital was incorporated on 15 February 1984. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa"). As the Group has disposed of its foreign business operations (production and sale of fabric products), hence, the continuing operations of The Company is as follows:

Company	Principal Business Activities
Continuing Operations	
Pertama Digital Berhad	Investment holding
Subsidiary of the Company	
Television Airtime Services Sdn. Bhd. ("**TAS**")	Investment holding
Subsidiary of TAS	
DAPAT Vista (M) Sdn. Bhd.("**DVSB**")	Mobile and digital solutions businesses

Pertama Digital holds 51% equity interest in TAS, which in turn holds 80% in DVSB, increased by 24% following the completion of the acquisition of additional shares in DVSB.

Disposal of the Foreign Business Operations

The Group has, as of 10 August 2022, disposed of the entire equity interests in Be Top Group Limited and its wholly owned subsidiary, Top Textile (Suzhou) Co., Ltd. in accordance with the terms of the Disposal SSA and Supplemental Disposal SSA (defined earlier). Below are the milestones achieved in relation to the disposal:

Date	Progress
21 September 2020	Total first cash payment of RM12 million received from GIL.
16 July 2021	Total second cash payment of RM18.515 million received from GIL
10 August 2022	Tranche 3 was completed with assumption of liability by GIL from Pertama Digital in accordance with the Disposal Share Sale Agreement, Supplemental Disposal SSA, Supplemental Letters and Second Supplemental Disposal SSA

Upon completion of the Disposal of Be Top, the Company is classified as an affected listed issuer under Paragraph 8.03A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as the disposal is deemed as disposal of major business by the Company. The Company has began project planning to effectively address all options available to regularise the affected listed issuer status of the Company. The overall strategy shall be to accelerate the growth of existing products while acquiring a second profitable business, in addition to DAPAT Vista (M) Sdn. Bhd.

Sustainability Statement

Preface

The Sustainability Statement is drawn up in accordance with Sustainability Reporting Guide (2nd Edition) issued by Bursa Malaysia Securities Berhad ("Bursa"). The Sustainability Statement is a narration on the Group's direction and management of material risks and opportunities in economic, environment and social aspects.

A. Bursa Malaysia Sustainability Reporting Guide;

B. Corporate Governance Guide (Fourth Edition) issued by Bursa;

C. Part A of Appendix 9C (paragraph 29); and

D. Practice Note 9.

Identification of Key Sustainability Aspects

The Group identified there (3) broad categories of sustainability aspects, performed sustainability assessment and evaluated the impact of each issue:

A. Economic sustainability

B. Environmental sustainability

C. Social sustainability

Key Sustainability Aspects

Sustainability aspect	Identified issues
a. Economic sustainability	• Expansion of the Group's core business of mobile and digital solutions businesses for earnings and growth sustainability • Exploring organic and inorganic growth opportunities of earnings accretive businesses for sustainability in earnings growth
b. Environment sustainability	• Optimisation of resource consumption and preservation
c. Social sustainability	• Work safety • Talent development and retention • Staff welfare schemes

Measures and Steps taken by the Group to deal with the identified issues

The Group has the following measures to face challenges identified above:

Economic sustainability

Earnings growth sustainability

- New focus of the Group's core businesses
  Some of the steps taken to achieve sustainability for earnings growth includes:
  - disposal of the production and sale of fabrics business in China.
  - acquisition and expansion of the mobile and digital solutions businesses carried out by DVSB, an 80%-owned subsidiary of TAS
  - initiate acquisition of suitable earnings-accretive businesses
- Expansion of services provided by DVSB in the mobile and digital payment solutions

Environmental sustainability

Resources sustainability

- The digital payment applications and platforms in DVSB's business model are environment-friendly products and services. The digital payment services enable transactions with the least possible time, human efforts, energy/natural resources (fuel, electricity and paper), achieved through a significant cut of lengthy procedures compared to the conventional mode of payment. Most importantly, digital payment services provided by DVSB have enabled transactions that would not have been possible (in certain circumstances during the times of lockdowns) if not for the availability of such applications and platforms. Such convenience remains post lockdowns and continues to enable transactions to be completed effectively and efficiently.
- A good example of contribution towards resources sustainability by the Group would be the use of eJamin Application by surety in making bail payments to criminal courts as opposed to the conventional mode of payment which requires physical appearance of the surety at courts and banks.

Social sustainability

Skilled & experienced staff

- Recruitment and retention of talents in the Group
- Continual training and talent development provided to staff of the Group
- Inclusive work environment free from discrimination and harassment. Hiring and promoting employees based on skills and qualifications; not gender, race, religion, or other personal characteristics.

The Group has outlined a Corporate Social Responsibility ("CSR") Policy adopted by the Board, which is subject to review from time to time to adapt to the prevailing situation and keep up with current development. The CSR policy can be accessed at the Company's website at www.pertamadigital.com

Corporate Governance Overview Statement

The Board of Directors ("**Board**") of Pertama Digital Berhad ("**Company**") continues to comply with requirements of good corporate governance practices which is a fundamental responsibility as a listed company. A well-preserved corporate governance environment is instrumental in preserving stakeholders' interests and enhancing shareholders' value. The Board is aware of and strives to incorporate values of recommended corporate governance practices in the Group.

This Corporate Governance Overview Statement ("**CG Statement**") provides the summary of the Company's corporate governance practices during the financial year ended 31 December 2022 with reference to the following three (3) principles set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**"):

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

In addition to this CG Statement, the Company has also completed a Corporate Governance Report that has been submitted together with this Annual Report (collectively referred to as "**Reports**") on the Bursa website. The Reports are also accessible on the investor relation page of the Company's website at www.pertamadigital.com.

Principle A: Board Leadership and Effectiveness

Board Functions and Responsibilities

The Board is entrusted with the stewardship role of the Group. It is responsible for providing oversight of the Group's strategic direction, overseeing the Group's business operations, as well as identifying key risk factors that have significant impact on the Group's operations and performance.

The Board has principal duties and responsibilities to perform fiduciary duties of acting in good faith of the Company, ensuring integrity of financial information, exercise of power for a proper purpose, avoid conflict and self-dealing and exercise the duty of reasonable care, skill and diligence.

The Board's principal responsibilities, power and authority are spelt out in the Company's Board Charter, which was last reviewed by the Board on 15 April 2023 is accessible at www.pertamadigital.com.

Board Committees

Board Committees are established to assist the Board in the oversight of specific aspects of the Company, as indicated by the name of each committee. Currently there are three (3) Board Committees being established by the Board, namely Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively referred to as "**Committees**").

The Committees are granted with full authority to investigate any matter within their scope of responsibility that are within the terms of reference of each committee. Board Committees are entitled to engage independent professionals to advise them in the course of discharging their duties. The engagement of external professionals is at the cost of the Company.

The functions, roles and responsibilities of the AC are presented in the Audit Committee Report while other Committees' roles and responsibilities are detailed in this CG Statement.

Nominating Committee

The NC is delegated with the responsibility of talent management for the Group. The NC comprises two (2) independent non-executive directors and one (1) non-independent non-executive director, with majority being independent directors.

Chairman	
Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Director
Member	
Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	Non-Independent Non-Executive Director
Dato' Dr. Suhazimah Binti Dzazali	Independent Non-Executive Director

Principal Responsibilities of NC

a) Matters relating to the nomination of Board members, members of Board Committees, Company Secretary and senior management and directors of subsidiaries.
b) Annual review of the term of office and performance of the AC and its members.
c) Annual assessment of the Board, its members (individual assessment), composition and effectiveness
d) Annual assessment of Board independence.
e) Evaluate directors who are standing for re-election.
f) Fit and proper assessment.

Nomination Policy

The key role of the NC is to assist the Board to review and assess suitability of candidates to be appointed as Board members.

A formal nomination policy has been drawn up by the Company to assist the NC in the nomination process. The nomination policy is accessible on the Company's website at www.pertamadigital.com.

Process and Procedure of Director(s) Nomination

Nomination of Board members of the Group will go through the required standard procedures before the NC could recommend to the Board on appointment of new directors.

The standard procedures start from assessment from various perspectives including its current composition, adequacy in terms of Board members' background diversities that can provide meaningful insights and complement the Board in carrying out its duties.

NC will focus on assessing the candidate(s) suitability from different aspects, including but not limited to professional background, industry exposure and track record on competency. After going through all due consideration and deliberations, the NC will put forth its recommendation to the Board for deliberation and approval.

Gender Diversity in Board Room

The Group supports recommendations in MCCG on gender diversity in Board composition and adopted a gender diversity policy. The Group will place emphasis on suitability of candidates for directorship and senior management posts, rather than purely selecting based on any specific gender preference, so as to consider the appointment of lady director(s) or senior management staff when there are suitable candidates. Nevertheless, the Group upholds the spirit of appointing directors to serve the Board based on merits and experience of the candidates without bias on race, age or gender. The same spirit applies when employing senior management staff of the Group.

Presently, there is one (1) woman director on the Board and four (4) ladies in the key senior management team of the Group.

Summary of Activities of the NC

Below are activities carried out by the NC during the financial year ended 31 December 2022:

a) Review of appointment of new Board members of the Company.

b) Review of appointment of c-suite personnel of the Company i.e., Chief Executive Officer, Chief Financial Officer and Chief Operating Officer

c) Review of the mix of skill and experience and other qualities of the Board.

d) Annual assessment of the Board performance and effectiveness.

e) Annual assessment of the independence of Independent Directors.

f) Discussion of the Company's Directors' retirement by rotation.

The criteria used in the independence assessment are based on requirements and definition in the Main Market Listing Requirements ("**MMLR**"). The NC has received confirmation letters from the independent directors confirming their independence and the exercise of independent judgment and that they have been able to act impartially in the best interest of the Company.

Based on the following points, the NC reported to the Board that to the best of its knowledge, all the independent directors were free from influence that could have affected their ability and willingness to exercise impartial professional judgment in deliberation of issues:

a) All independent directors fulfilled the definition of independent director as set out in MMLR

c) All the independent directors have given a written confirmation to the Board confirming their independence

d) All independent directors had acted independently, free from the management interference, without any business relationship with the Company, its subsidiaries and related company.

Board Meetings

Board meetings are the main avenue for Board members to gather and deliberate on strategic direction, control and internal control issues relating to the Group. The Board meets up at least once every quarter for these purposes, and to be updated on strategic plans from management. There were seven (7) Board meetings held during the financial year ended 31 December 2022.

The summary of attendance of each Director is as follows:

Directors	Number of Meetings attended
Tun Dato' Seri Zaki Bin Tun Azmi	7/7
Sabri Bin Ab Rahman	7/7
Datuk Dr. Kenny Ng Bee Ken	7/7
Dato' Dr. Suhazimah Binti Dzazali	7/7
Wong Yoke Nyen *(Appointed on 4 April 2022)*	6/6
Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani *(Appointed on 7 September 2022)*	1/1
YTM Tunku Syed Razman Bin Tunku Syed Idrus *(Appointed on 13 October 2022)*	1/1

Frequency of Board Meetings Access to and Supply of Information by Board Members

The Board meets at least four (4) times a year to deliberate on strategic, financial, control and risk management issues. Key management of the Group reports to the Board on strategic direction and plans of the Group. Board papers will be circulated to Board members prior to the meeting for perusal.

Other Non-Routine Board Meetings

Under exceptional circumstances, the Board meets at appropriate times when circumstances warrant the call for meetings. All Directors are furnished with board papers that contain information of the agenda to be tabled at Board or Board Committee meetings. The Board meeting papers will provide information relating to issues to be deliberated by the directors.

Invitees of Board Meetings

The Board invites management staff and auditors, when necessary, to attend Board meetings to furnish clarifications on issues that may be raised by directors on issues tabled to them. The Board has direct access to senior management staff to obtain completion.

Board Independence and Effectiveness

The roles of Chairman, Executive Director and Chief Executive Officer are held by separate individuals, with clear division of responsibilities and authorities. The Board is made up of one (1) executive director, two (2) non-independent non-executive directors and four (4) independent non-executive directors as at the issuance date of this annual report. This is an effective Board structure that ensures there are sufficient check and balance mechanisms in place.

Board Effectiveness

The presence of independent non-executive directors on Board ensures balance of power of the Board as a whole. Below is narration of ways that Board effectiveness is achieved:

i) comment on business strategies tabled to the Board;

ii) advise the Board on issues from objective perspective; and

iii) provide constructive feedback to the Board.

The Company's independent directors are professionals with respectable business exposures, which the Board values and acknowledges that it has benefited greatly from advice it receives.

Role of the Non-Executive Chairman

The Non-Executive Chairman plays the primary role of leading the Board in discharging its fiduciary duties. Chairman of the Board ensures Board meeting agenda are carried through in orderly manners, adequately deliberated and properly addressed to.

Separation of power

Currently, Chairman of the Board is assumed by a former Chief Justice of Malaysia with extensive and strong legal background. The Group has upheld its stance of having an Non-Executive Chairman to lead the Board to ensure balance of power and authority. The Non-Executive Chairman is responsible for the orderly conduct of the Board while the Executive Director managing the Group's business operations.

Independence of non-executive directors

The Independent Directors fulfil the criteria of independence as set out in the MMLR. The Board adopts a policy on annual assessment of independent directors and has undertaken an assessment of independence of the independent directors for the financial year ended 31 December 2022. The criteria used in assessing the independence of the independent directors are based on definition in MMLR. The Board has received written confirmation of independence from the respective independent directors.

Long Service Independent Director

Pursuant to the directive issued by Bursa Malaysia Berhad on 19 January 2022, starting 1 June 2023, the amendments to MMLR in regard to the definition of "independent director" will take effect and to be in compliance with the amended definition, all long-serving independent directors of more than twelve (12) years must resign or be re-designated as a non-independent director.

As at the date of this annual report, Datuk Dr. Kenny Ng Bee Ken, an Independent Non-Executive Director, has served on the Board for a cumulative term of seventeen (17) years. Datuk Dr. Kenny Ng Bee Ken will be re-designated as Non-Independent Non-Executive Director and the relevant announcement will be made in due course.

Policies

Company policies established and reviewed by Group Legal will be tabled to the Board for review, deliberation and approval from time to time. All corporate policies will be reviewed from time to time to ensure its relevance to the prevailing market conditions of the Group's businesses, corporate governance requirements as well as adequacy in management of risk factors faced by the Company.

During the financial year ended 31 December 2022, in line with the new rule of the MMLR, the Board has on 30 June 2022 adopted the Directors' Fit & Proper Policy to ensure a formal and transparent process for the appointment and re-election of directors of the Company and its subsidiaries. This policy shall be reviewed by the Board on an annual basis or at any time as it may deem necessary in accordance with the needs of the Company. The Directors' Fit & Proper Policy is accessible through the Company's website at www.pertamadigital.com.

Company Secretary

The roles of Company Secretary have evolved to encompass the advisory role on compliance to and new development of corporate governance matters, in addition to keeping of statutory records and minutes of meeting (Board and Board committees) and filing of mandatory returns. The Company and the Board is supported by a well-qualified joint-Company Secretary.

Principally, Company Secretary plays the following roles, of which the list is not exhaustive:

a) maintain the statutory records and registers of the Company;

b) ensure all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are recorded

c) ensure that any change in the Group's statutory information should be duly completed in the relevant prescribed forms and lodged with the Registrar of Companies within the required period of time

d) update the Board on corporate governance requirements and the actual practices that meet the compliance requirements; and

e) advise the Board/Board committees on the requirements to issue announcements to Bursa pertaining to compliance to listing requirements, corporate developments and/or transactions that entail mandatory public announcements.

Board Composition

The Company is helmed by a Board comprising members of different backgrounds, including seasoned entrepreneurs, former Chief Justice, corporate law practitioners, corporate finance professional with accounting and auditing exposure as well as ICT specialist. The Board presently comprises one (1) executive director, two (2) non-independent non-executive directors and four (4) independent non-executive directors. Such composition complies to the MCCG recommendation that at least half of the Board comprises independent directors.

Board Members

As at the issuance of this Annual Report, the Board members are as follows:

Directors	Designation
Tun Dato' Seri Zaki Bin Tun Azmi	Non-Independent Non-Executive Chairman
Sabri Bin Ab Rahman	Executive Director
Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Director
YTM Tunku Syed Razman Bin Tunku Syed Idrus	Independent Non-Executive Director
Dato' Dr. Suhazimah Binti Dzazali	Independent Non-Executive Director
Wong Yoke Nyen	Independent Non-Executive Director
Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	Non-Independent Non-Executive Director

The Board has an optimum mix of members who are professionals and entrepreneurs. Profile of the Board members is as set out on pages 6 to 9 of this Annual Report.

Annual Assessment of Board Members (Self Evaluation) and Assessment on Performance of Board Committees

The Directors of the Company performed self-evaluation and assessment on the performance of Board Committees. The Board is satisfied over the self-evaluation of Board members that due care has been exercised while Board members were carrying out their fiduciary duties. In addition, MCCG recommends that the Board shall undertake annual assessment of the independence of its independent directors. In line with this recommendation, the Company practices annual independence assessment of the Group's Independent Directors. The assessment on independent directors for the current financial year ended 31 December 2022 has been duly completed.

Director's Appointment and Re-election

In accordance with the provisions of the Constitution of the Company, one-third of the directors for the time being or, the nearest to one-third shall retire from office. An election of directors shall take place each year and that all directors shall retire from office at least once in every three years. All directors who retire from office shall be eligible for re-election.

The Constitution of the Company also states that any newly appointed director shall hold office only until the next following annual general meeting and shall be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that annual general meeting.

Director's Training

MMLR requires that directors of listed companies are to keep themselves abreast of the relevant development on corporate governance and industrial knowledge that relate to the Group.

Annual Training Requirements

All directors of the company complied with the requirement to attend training programmes during the financial year ended 31 December 2022.

Directors	Training/Programme/(s) Attended
Sabri Bin Ab Rahman	Compliance With Listing Requirements: Reporting Of Financial Statements.
Datuk Dr. Kenny Ng Bee Ken	Compliance With Listing Requirements: Reporting Of Financial Statements.
Tun Dato' Seri Zaki Bin Tun Azmi	a) The Pay-TV Landscape Globally: Opportunities and Challenges; b) Business Foresight Forum Virtual Conference 2020; c) Innovation Progress in Digitalisation and Mechanisation; d) Digital Transformation Workshop; and
Dato' Dr. Suhazimah Binti Dzazali	a) Compliance With Listing Requirements: Reporting Of Financial Statements; b) Bursa Immersive Session - The Board "Agender"; and c) Audit Oversight Board Conversation with Audit Committees.
Wong Yoke Nyen	a) PKJ004: Success, Survival and Sustainability Strategies in Competitive Environment using Sun Zi's Art of War's Approach b) Guidance for Preparation of Sustainability Statement c) CHK621: Practical Strategies to Turn Pressure into Positive Energy in COVID-19 Era d) Compliance with Listing Requirements - Reporting of Financial Statements
YTM Tunku Syed Razman Bin Tunku Syed Idrus	Participation in the Mandatory Accreditation Programme has been postponed to 23 May 2023 and has been duly approved by the Bursa.
Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	a) MARC360: Sustainable Development Financing 2022 Virtual Conference; b) ASEAN-BAC Malaysia Virtual Dialogue With Foreign Business Association & Business Councils in Malaysia 2022; c) PNB Knowledge Forum I 2022; d) Developing and Financing Green Housing in Asia Conference 2022; e) ASPAC Partner Masterclass Series I Session 1 – Solving unsolvable problems; f) Audit Committee Series – Related Party Transactions (Simplified); and g) Islamic Finance Transactions: How Does the i-Arbitration Rules 2021 Assist?

Director's Remuneration Policy and Procedure

The RC is delegated by the Board to handle matters relating to the remuneration of Board members. The Group has drawn up a policy on remuneration of the executive and non-executive directors (collectively known as "**Directors**"). The remuneration policy is drawn up to provide a proper, systematic and documented set of procedures as guidelines for the RC in determining the remuneration packages of Directors.

RC recognises that for effective talent management, there is a need to be fair in rewarding the Directors in order to attract, retain and motivate the talents. RC's role is to set remuneration levels which ensure that the Directors are fairly and adequately rewarded for their performance of roles and duties.

The composition of RC is as follows:

Chairman	Designation
Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	Non-Independent Non-Executive Director

Members	Designation
Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Director
Dato' Dr. Suhazimah Binti Dzazali	Independent Non-Executive Director

Factors to Determine the Remuneration of Directors

a) Scope of responsibilities of Directors in accordance with their roles assumed in the Group and/or Company and the degree of complexity of these duties

b) Expertise, professional/industrial background of Directors

c) Management experience of Directors and availability of similar talents as prospective candidates for directorship

d) Performance and contribution of the Directors towards achievement of the Group/Company

e) Market rates of Directors' salary/fees and market practices of other benefits such as payment of allowances, bonuses and benefits-in-kind

Disclosure on Directors' Remuneration

The remuneration and fees received by the Directors for the 12-month financial period ended 31 December 2022 is tabulated as follows:

Received from the Group

Executive Directors	Salaries	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Pan Ding *(resigned from Board on 22/9/2022)*	1,040,000	8,000	-	1,048,000
Pan Dong *(resigned from Board on 22/9/2022)*	1,093,000	7,000	-	1,100,000
Sabri Bin Ab Rahman	780,500	11,000	24,000	815,500
Total	2,913,500	26,000	24,000	2,963,500

Independent Non-Executive Directors	Fee	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Datuk Dr. Kenny Ng Bee Ken	46,000	12,000	-	58,000
Dato' Dr. Suhazimah Binti Dzazali	36,000	12,000	-	48,000
Wong Yoke Nyen	-	10,000	-	10,000
YTM Tunku Syed Razman Bin Tunku Syed Idrus	9,000	1,000	-	10,000
Low Yan Seong *(resigned from Board/NC on 27/6/2022)*	18,000	8,000	-	26,000
Wan Kamarul Zaman Wan Yaacob *(resigned from Board/RC/NC on 27/6/2022)*	18,000	8,000	-	26,000
Abel Chun Goon Hoe *(resigned from Board on 24/8/2022)*	-	7,000	-	7,000
Total	127,000	58,000	-	185,000

Non - Independent Non-Executive Directors	Fee	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Tun Dato' Seri Zaki Bin Tun Azmi	50,000	10,000	-	60,000
Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani	12,000	2,000	-	14,000
Total	62,000	12,000	-	74,000
Grand Total	3,102,500	96,000	24,000	3,222,500

Received from the Company

Executive Directors	Salaries	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Pan Ding *(resigned from Board on 22/9/2022)*	–	–	–	–
Pan Dong *(resigned from Board on 22/9/2022)*	–	–	–	–
Sabri Bin Ab Rahman	–	11,000	–	11,000
Total	–	11,000	–	11,000

Independent Non-Executive Directors	Fee	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Datuk Dr. Kenny Ng Bee Ken	46,000	12,000	–	58,000
Dato' Dr. Suhazimah Binti Dzazali	–	12,000	–	12,000
Wong Yoke Nyen	–	10,000	–	10,000
YTM Tunku Syed Razman Bin Tunku Syed Idrus	9,000	1,000	–	10,000
Low Yan Seong *(resigned from Board/NC on 27/6/2022)*	18,000	8,000	–	26,000
Wan Kamarul Zaman Wan Yaacob *(resigned from Board/RC/NC on 27/6/2022)*	18,000	8,000	–	26,000
Abel Chun Goon Hoe *(resigned from Board on 24/8/2022)*	–	7,000	–	7,000
Total	91,000	58,000	–	149,000

Non - Independent Non-Executive Directors	Fee	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Tun Dato' Seri Zaki Bin Tun Azmi	50,000	10,000	-	60,000
Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani	12,000	2,000	-	14,000
Total	62,000	12,000	-	74,000
	153,000	81,000	-	234,000

Remuneration of Top Management

Received from the Group

	Salary	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Sabri Bin Ab Rahman Executive Director	780,500	11,000	24,000	815,500
Total	780,500	11,000	24,000	815,500

Received from the Company

	Salary	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Sabri Bin Ab Rahman Executive Director	-	11,000	-	11,000
Total	-	11,000	-	11,000

Principle B: Effective Audit and Risk Management

Audit Committee

The AC is responsible for assisting the Board to review the adequacy and integrity of the Group's financial reporting, risk management and internal control systems. The AC reviews all financial statements before recommending the Board for approval. The detailed roles, functions and responsibilities of the AC can be found on the Terms of Reference published on the Company's website at www.pertamadigital.com

Risk Management and Internal Control Framework

The Board acknowledges it is crucial for the Group to maintain a sound system of risk management and internal control ("**RMIC**"), which is capable of providing reasonable assurance that the Group's assets and shareholders' investments in the Group are safeguarded. Nonetheless, due its inherent nature, the Group's RMIC system can only provide reasonable but not absolute assurance against material misstatements, fraud or wilful circumvention of rules and procedures.

The Group sets up a risk management and internal control ("RMIC") framework to outline in an orderly manner identified risk factors and measures to manage these risks. The RMIC framework is a structured and organised approach to identify and manage appropriately risk factors affecting the Company.

A Statement on Risk Management and Internal Control of the Company is set out on pages **76 to 82** of this annual report.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Integrity in Corporate Reporting

Corporate reporting of the Company primarily comprises financial results reporting, compliance-related reporting and corporate activities reporting.

Financial Reporting

The Company presents quarterly public financial announcements in accordance with the MMLR. The Board is assisted by the AC in ensuring quality and timely release of financial reports. The Board is responsible to ensure that the financial statements conform to the applicable rules, regulations and accounting standards issued by the Malaysian Accounting Standards Board.

Compliance-related Reporting

Compliance-related reporting mainly concerns matters like announcement on book closure date, entitlement date and status updates on compliance to the public shareholding spread that requires at least 25% of the Company's shares must be held by the public.

Others

Corporate activities reporting relate to announcement of plans and progress status updates on corporate exercises of the Company.

Meaningful relationship with shareholders and stakeholders

The Group has outlined a policy on communication as guidelines to handle relationships with various stakeholders and some in particular with shareholders. It uses various channels to promote and enhance shareholders and/or stakeholders communication. The Company established a Statement on Shareholders' Community Policy ("Statement") which clearly spells out the de-facto rights of shareholders. Salient terms of the said Statement are made accessible for reference at the Company's website, www.pertamadigital.com

Communication channels with shareholders

The Group utilizes the communication channels such as Bursa website, the Company's corporate website, annual reports, and general meetings to engage with shareholders.

Other Principles

Accountability and Audit

Accountability as guided by the Code of Business Conduct

A formal Code of Business Conduct ("**CBC**") has been established and mandated for adherence by staff of the Group at all levels. Salient terms of Code of Business Conduct are made available on the Company's website at www.pertamadigital.com

The CBC is subject to review from time to time to adapt to changes in the internal and external environment, including but not limited to amendments in rules, laws, and regulations applicable to the Group and it was last reviewed on 15 April 2023.

Relationship with and assessment of the external auditors

The Board maintains a transparent and formal relationship with the external auditors through the AC. In every financial year, there will be private dialogue for at least twice held between the independent directors and external auditors. These private dialogues are without the presence of executive directors and management for feedback on matters regarding the management.

Assessment of the external auditors

The Company has put in place the policies and procedures to assess the suitability, professionalism and independence of external auditors.

Responsibility Statement by the Board

In the course of preparing the annual financial statements of the Group and the Company, the Directors are collectively responsible in ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions in Companies Act 2016 and the MMLR.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Company present a true and fair view of the state of affairs of the Group and the Company as of the end of the reporting period and the results and cash flows for the financial period then ended.

The Directors have also taken the necessary steps to ensure that a reasonably reliable control system ("**System**") is in place for the assets of the Group and the Company to be properly safeguarded. The System is designed with the objectives for the prevention and detection of fraud and other irregularities. Nevertheless, the System, by its inherent nature, can only provide reasonable but not absolute assurance against material misstatements, loss and fraud.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out in page 114 of this annual report.

Additional Compliance Information

Audit Fee

The amount of audit fee incurred by the Company and on a group basis during the financial year ended 31 December 2022 is RM203,000 and RM 312,000 respectively.

Non-Audit Fee

The amount of non-audit fee incurred by the Company during the financial year ended 31 December 2022 for the review of Statement on Risk management and Internal Control and submission of net revenue from designated services is RM10,000 and RM4,000 respectively.

Utilisation of Proceeds

The total proceeds amounting to RM33.516 million, raised from Disposal of Be Top Group Limited ("**Be Top**"), being the aggregate of RM3 million bidding bond, first cash payment of RM12 million and second cash payment of RM18.516 million have been utilised in the manner tabulated below:

Purpose	Time Frame	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)
(a) TAS shares acquisition	Within 1 month	2,000	2,000
(b) Investment in existing business of the Group	Within 24 months	20,000	1,633
(c) Working capital	Within 24 months	10,516	10,516
(d) Expenses related to corporate exercises expenditures	Within 9 months	1,000	1,000

Material Contracts

The Company had entered into a conditional share sale agreement ("**Disposal SSA**") with Gifted Investments Limited ("**GIL**") on 2 May 2019 to dispose of the entire equity interest in its wholly-owned subsidiary Be Top for a total cash consideration of RM70 million. Mr Pan Ding, the former Group Managing Director / Executive Director of the Company, is also the director and sole shareholder of GIL.

On 21 September 2020, the Company received the first cash payment for the sum of RM12 million from GIL. Accordingly, tranche 1 share sale has been completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA.

On 16 July 2021, the Company received the second cash amounting to RM18 million from GIL. Accordingly, tranche 2 share sale has been completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA.

On 19 January 2022, the Company and GIL had mutually agreed to extend the cut-off date to 19 July 2022 to facilitate the fulfillment of conditions precedent in the Disposal SSA.

On 2 June 2022, the Company had entered into the Second Supplemental Disposal SSA with GIL to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Disposal SSA, Supplemental Disposal SSA and the Supplemental Letters in relation to the Disposal.

On 19 July 2022, GIL had mutually agreed to further extend the Cut-Off Date to 19 August 2022 to fulfill the conditions precedent in the Disposal SSA.

On 10 August 2022, the conditions precedent and tranche 3 of the Disposal SSA, Supplemental Disposal SSA, Supplemental Letters and Second Supplemental Disposal SSA was completed which enables the Company to fully exit from the fabric production business in the China and allows the Company to focus and allocate all its resources to strengthen and expand its mobile and digital solutions businesses which is the current core continuing operations of the Group.

Apart from the above, there is no other material contract entered into by the Group during the financial year ended 31 December 2022.

Recurrent Related Party Transactions

There was no recurrent related party transaction that needed to be disclosed in accordance with the MMLR.

Compliance with Principles and Recommendations of MCCG

The compliance status of the Principles and Best Practices of the MCCG is as disclosed in the Corporate Governance Report.

Audit Committee Report

Composition

As at the date of this Annual Report, the Audit Committee ("**AC**" or "**Committee**") comprised the following members:

Chairman

Wong Yoke Nyen	Independent Non-Executive Director

Members

Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Director
Dato' Dr. Suhazimah Dzazali	Independent Non-Executive Director

All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. The AC Chairman is a certified member of Institute of Chartered Accountants in England and Wales (Corporate Finance Faculty) and has over 35 years of dedicated corporate finance and investment banking experience.

Meetings

Seven (7) meetings were held during the financial year ended 31 December 2022. The summary of attendance of each member is as follows:

Members	Number of Meetings Attended
Wong Yoke Nyen (Appointed to the AC on 18 August 2022)	3/3
Datuk Dr. Kenny Ng Bee Ken	7/7
Dato' Dr. Suhazimah binti Dzazali (Appointed to the AC on 18 August 2022)	3/3

AC meetings ("**ACM**") are held for the AC members to review and deliberate matters under the AC's purview. On several occasions, other independent directors may be present as observers.

The Committee had conducted private discussion sessions with the external auditors, without the presence of executive directors and management staff, during the financial year ended 31 December 2022.

Summary of Work Done by the Committee

The following works had been carried out by the Committee during the financial year ended 31 December 2022:

1. Reviewed the quarterly unaudited financial results and related announcements and recommended the same to the Board of Directors ("Board") for consideration and approval.
2. Reviewed and approved the Group's financial statements for the financial period ended 31 December 2022.
3. Reviewed and approved the audit plan and scope of work presented by the external auditors for the statutory audit of the Group's financial statements.
4. Conducted private discussion sessions with the external auditors, without the presence of executive directors and management.
5. Reviewed the Statement on Risk Management and Internal Control before recommending to the Board for approval for insertion into the Company's Annual Report.
6. Reviewed the annual audited financial statements of the Group with the external auditors prior to the presentation to the Board for approval.
7. Reviewed on quarterly basis the summary of related party transactions, trade receivables and ageing analysis of the Group.
8. Reported to the Board on matters discussed and addressed at meetings of the Committee.
9. Reviewed and discussed with the external auditors on significant issues noted in the course of their audit of the Group.
10. Reviewed the audit fee proposal and recommended to the Board for approval of the audit fees.
11. Reviewed and approved the audit plan and scope of work presented by the internal auditors for the internal audit of the Group's identified key areas and processes.
12. Reviewed and monitored the nature and extent of the non-audit services provided by the external auditors to ensure that the independence and objectivity on performing their duties as the Group's external auditors are safeguarded. External auditors had informed and undertaken the necessary measures to ensure that each non-audit services would not result in conflict of interest nor impair their independence and objectivity.

Internal Audit Function

The Group recognizes the importance of independent review on core aspects provided by the internal auditors engaged through outsourcing practice. The internal audit review provides the Committee with a basis for their evaluation of the adequacy, integrity and effectiveness of the risk management and internal control ("**RMIC**") system, currently deployed into operation by the Group.

The internal auditors are directed by the Board to report directly to AC on observations and findings of their annual internal audit review on selected operational aspects. The Committee has been made understood that internal audit review provides a reasonable assurance but not absolute guarantee over the integrity and proper functioning of the Group's RMIC system.

In the current financial year, OAC Consulting Sdn. Bhd. ("OAC") was the appointed outsourced internal auditor to review the Financial Management & Financial Accounting of the Group.

OAC has rated the Group's financial management & financial accounting as "adequate" as the internal controls and procedures are generally satisfactory and functioning appropriately as intended with no major issues highlighted for the audited area. The system of internal controls are adequate to provide reasonable assurance that significant control objectives are achieved efficiently and economically as risks are managed to an acceptable level.

The current financial year internal audit fee incurred by the Group is RM14,000.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control ("**RMIC**") is drawn pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**") and was prepared in accordance with Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**SRMIC Guidelines**").

The Board of Directors ("**Board**") reckons the importance of establishing a sound risk management and internal control system to provide reasonable assurance, but not absolute elimination, of risks that exist in the operations, financial management and reporting as well as regulatory compliance aspects of the Group's operating environment (collectively known as the "**Overall Operating Environment**"). It shall be noted that the risk management and internal control system was designed to manage and monitor rather than to eliminate risks that could result in the Group not achieving its objectives.

Accordingly, the Board is pleased to provide the following report, which outlines the nature and scope of Group's internal controls during the financial year ended 31 December 2022.

THE GOVERNING LAWS AND REGULATIONS

MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG") AND CORPORATE GOVERNANCE GUIDE – THIRD EDITION ISSUED IN 2017 ("CG GUIDE")

The MCCG and CG Guide require that the Board of Directors of listed issuers maintain a sound risk management and internal control system to safeguard shareholders' investments and the Group's assets.

1. ROLES AND RESPONSIBILITY OF THE BOARD

The Board is responsible for:

(i) OVERSIGHT AND ASSESSMENT OF GROUP RMIC FRAMEWORK (SYSTEM AND PROCEDURES)

The Board holds an oversight role in the Group RMIC matters, in relation to the overall RMIC system and procedures, primarily to the key business and operational risk factors faced by the Group, as well as assessment of the impact on the Group's exposure to these risks. This is the very first important step in efforts devoted to safeguarding the Group's assets, shareholders' and other stakeholders' interests.

In the course of assessing the risk factors, the Board determines the Group's tolerance level to each risk factor, to ensure sustainability of the Group's business continuity is not compromised.

(ii) ENSURING APPROPRIATE AND TIMELY ACTIONS AND UPDATES

The management is accountable to the Board for the initiation and implementation of risk management and internal control system. These encompass the efficient execution of appropriate, effective procedures (that captures relevant data and is able to produce reports to alert the management on any potential breach of risk tolerance level).

After the initial stage of designing and implementing the RMIC system, preservation of its integrity will be the next most important task. In contrast, the Board plays the role of ensuring the management is alert to risks that are threatening the Group and responds to situations promptly. The Board has made it a fixed agenda that it receives regular status updates in Board meetings on project progress, relevant preventive and/or remedial action plans (where applicable) as well as results of remedial actions taken. The Board revisits and follows up on aspects highlighted previously by the executive director in subsequent Audit Committee ("**AC**") and Board meetings.

2. ROLES OF MANAGEMENT TEAM

The management team is responsible for

(i) IDENTIFICATION OF SPECIFIC ISSUES, INITIATE AND IMPLEMENT RECTIFICATION PROCESSES AND PROCEDURES

The management team of subsidiaries collectively are the key persons who identify, evaluate and assess the risk actors that exist in the Overall Operating Environment. Subsequent to performing evaluation and assessment of risk actors identified, the management team, after due discussion and with approval from executive director, will devise and implement appropriate measures to automate/compile exceptional reports from the RMIC system for review and resolve of risk issues. The management team is responsible for the continuous management and monitoring of various issues on business and/or operational risks within their respective delegated authority.

(ii) REPORTING TO THE GROUP'S AUDIT COMMITTEE

Executive directors of the Group report to the AC, in quarterly meetings and other ad hoc meetings, on findings and progress status updates on the overall RMIC system. During the current reporting financial year, the management team adhered to the same procedures adopted in the previous financial years. Nonetheless, the Group's RMIC framework has built in the expectation for changes and/or enhancement in procedures/processes whenever situations warrant such changes and/or enhancement for effective and efficient resolution of RMIC issues.

The Board will be updated with progress of the management and monitoring of key risk areas and is satisfied that the management has initiated reasonable and adequate processes to mitigate undesirable impact on the Group which may arise.

3. ROLES OF THE AUDIT COMMITTEE

The AC was set up to provide oversight and scrutiny over the financial operations and reporting of the Group. A full description of the AC term of reference is disclosed on the Company's website www.pertamadigital.com

4. ROLES OF INTERNAL AUDITOR ("IA")

The IA reports directly to the AC, and by extension, to the Board, to provide a reasonable independent assurance, but not absolute guarantee, on the adequacy and effectiveness of the Group's internal control system and its overall control environment. The IA plays an important role of evaluating and assessing the presence, effectiveness and integrity of risk management and internal control systems and mechanisms put in place. IA will make enhancement recommendations for the management and Board to consider.

In the current financial year, there was an audit exercise ("**Audit Exercise**") performed on the Group's Financial Management & Financial Accounting Framework ("**Framework**"), to establish whether the group's financial information is accurate, complete, and in compliance with applicable accounting standards, regulations, and laws.

The Audit Exercise was conducted via IA obtaining and reviewing the available information and identification of existing documentation/policies from the management. From these information, documents and policies, IA was able to identify the gaps and quantify the differences, and subsequently discuss with the management on what required to be completed to narrow the gaps.

The AC, after reviewing the Analysis Exercise report presentation by IA, has acknowledged the importance of the Framework and recommended for the management to ensure the planned actions were duly implemented by the end of year 2023.

5. STRATEGIES TO IDENTIFY AND ADDRESS RISKS

i) ESTABLISHMENT OF A RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

A Risk Management and Internal Control Framework has been established for the purpose of defining the essential elements of a sound and effective RMIC system, identification of risks, assessment and monitoring and detailed description of the risk factors that affect the Overall Operating Environment of the Group.

Policies and procedural manuals have been drawn up to address areas that are subject to risks identified and the procedures to manage the risks.

The framework is subject to and continually being reviewed, from time to time, when new risk issues emerge, resulting from changes either in the internal or external environment, or as highlighted by IA.

ii) RISK IDENTIFICATION, EVALUATION AND RANKING

The Management, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement taking into consideration the effectiveness of controls that are capable of mitigating such risks.

Heads of Departments are usually responsible to identify risks that may have an impact in meeting their unit's business objectives. Risk identification process shall also take into consideration of the following:-

- Risk specific to the achievement of business objectives; and
- Risks that have the potential impact on the success and continuity of the business.

Thereafter, identified risks are evaluated as follows:-

- Probability or likelihood of occurrence;
- Significance of the risk; and
- Review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks.

iii) INFORMATION TECHNOLOGY CONTROLS AND SECURITY

a. Disaster Recovery Backup Plan

A Disaster Recovery ("DR") backup plan has been established group wide in order to ensure continuity of the business operations in the event of IT-disabling disaster strikes.

b. Personal Data Protection terms and conditions

The Group has implemented a set of Personal Data Protection terms and conditions for its commercial products as companies within the Group processes personal data in the course of its business activities and operations, recognises the importance of protecting the rights and privacy of individuals and is committed to protecting the

same. In preparing these Personal Data Protection terms and conditions, the management has taken steps to ensure conformity, to the extent possible, with the principles underlined in the Malaysian Personal Data Protection Act 2010.

These terms and conditions are subject to and continually being reviewed, from time to time, when new risk issues emerge, resulting from changes either in the internal or external environment, or as highlighted by IA.

iv) PERIODICAL PROGRESS STATUS UPDATES

The management is directed by the Board to update periodically, at quarterly meetings (and other ad hoc meetings, where applicable), the progress status of measures taken within the guidelines of the RMIC framework, in response to mitigate adverse effects of identified risk factors that have significant impact on the Group's business objectives. Apart from progress status reporting of existing risk factors, the management will also report to the AC new risk factors updates at meetings, email communication is another formalised manner of managing information flow.

Day-to-day operations of the Group are delegated to the Group's management, and therefore the management is in the best position and holds the irreplaceable role of reporting to the AC, risk factors that evolve / identified in the course of managing the Group's daily business operations.

v) REVIEW AND UPDATE OF RISK MANAGEMENT POLICIES

The Group's policies are reviewed by the management to assess its effectiveness in meeting the risk mitigation/prevention objectives. The Group's policies will be reviewed from time to time and updated when the situation warrants the updating to remain relevant in the prevailing condition (when the review is carried out).

vi) REPORT FROM IA

The Board reviews feedback from IA pertaining to any absence, weaknesses or deficiencies in the practices that pose significant undesirable consequences to the Group.

6. KEY PROCESSES / FEATURES OF INTERNAL CONTROL SYSTEM

i) Conduct of a yearly internal audit review on major operational areas, for the purpose of obtaining an independent appraisal on the adequacy and effectiveness of the existing internal control system (structure and mechanisms)

ii) Establishment of a clear reporting hierarchy and channels to facilitate immediate or timely escalation of issues, from front liners to management levels, for effective and/or efficient resolution

iii) The Board meets at least once every quarter to deliberate and be updated on issues that may have significant impact on the Group's financial performance and other aspects. The executive director presents to the Board and Board Committees findings in the Group's operating units and rectification measures initiated/planned to mitigate possible financial and non-financial losses

7. HUMAN CAPITAL

i) Performance Appraisal & Employee Trainings

Annual appraisal system is implemented for the employees at all levels within the Group, enforcing dialogue between management and subordinates for continuous improvement on employees' performance. Arising from this appraisal, training need analysis is performed to identify the required training for employees to address the areas of improvement identified.

ii) Code of Business Conduct

The Group's Code of Business Conduct which serves as guidance to all employees, about the rules, best practices and attitude that they are expected to observe when carrying out their duties. Employees are expected to act in the best interest of the Group, failing which may result in stern disciplinary actions being taken. This code is available at the official website www.pertamadigitalcom.

iii) Whistle Blowing Policy

The Group has implemented a Whistle Blowing Policy which was updated in 2020 to provide an avenue for employees and all stakeholders; to report any suspected acts that are in breach of the Group's Code of Business Conduct, internal policy and applicable laws or regulations in a confidential manner. The policy also guarantees an employee or stakeholder making a report of improper conduct in good faith shall not be subject to reprisal action or discrimination of any kind by the Company or the Group. The Chief Executive Officer and the management are primarily responsible to ensure that all whistleblowing reports are properly followed up.

iv) Anti-Corruption Policy

The Board has reviewed and approved the policy on acts of bribery and corruption in 2020, which provides the specific procedures or instructions regarding the appropriate actions needed to be undertaken in cases of suspected violations.

8. LEGAL AND COMPLIANCE

The compliance with laws and regulations is managed at and monitored by the Group Legal Department. The Group Legal Department also provides legal advisory and assists in the preparation and review of any legal documentation including but not limited to amongst other daily and administrative assignments.

9. LIMITATION OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

A risk management and internal control system is designed to mitigate rather than to eliminate risks. Therefore, in view of the inherent limitation of the risk management and internal control system, the Board reckons that the Group's system is unable to provide absolute assurance against events such as poor judgement in decision-making, circumvention of control processes, management overriding control processes and other unforeseen circumstances.

CONCLUSION

The risk management and internal control systems described above have been in place for the financial year under review and up to the approval of this statement for inclusion in the annual report. The letter of assurance was obtained from the Group Chief Exeutive Officer and Group Chief Finance Officer of Pertama Digital Berhad.

The Board believes that the Group's risk management and internal control system is adequate to provide a reasonable, but not an absolute, assurance that deficiencies and weaknesses (if any) in the Group's internal control system have reasonably been identified and rectified. Nonetheless, the Board remains committed in continually enhancing the risk management and internal control system in order to achieve its primary objectives of safeguarding shareholders' investments, Group's assets and interest of other stakeholders, namely suppliers, customers and regulators.

The Board also recognises that risk management is an evolving process in a changing business environment and is committed to continuously monitor the adequacy and effectiveness and, where appropriate, enhancing the Group's risk management framework and internal control system.

This statement is issued in accordance with a resolution of the Board dated 18.04.2023

Registration No.: 198401002327 (114842-H)

Reports and Financial Statements for the Financial Year Ended 31 December 2022

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Registration No.: 198401002327 (114842-H)

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONTENTS

	Page No.
Corporate Information	85
Directors' Report	86
Independent Auditors' Report	92
Statements of Financial Position	98
Statements of Total Comprehensive Income	100
Statements of Changes in Equity	102
Statements of Cash Flows	104
Notes to the Financial Statements	107
Statement by Directors	175
Statutory Declaration	176

Registration No.: 198401002327 (114842-H)

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public company limited by way of shares incorporated in Malaysia
REGISTERED OFFICE	:	802, 8th Floor, Block C Kelana Square, 17 Jalan SS7/26 47301 Petaling Jaya Selangor
PRINCIPAL PLACE OF BUSINESS	:	Suite 37, Unit 2-1, Level 2 The Podium Tower 3, UOA Business Park No 1, Jalan Pengaturcara U1/51A Seksyen U1 40150 Shah Alam Selangor

Registration No.: 198401002327 (114842-H)

Directors' Report

For the Financial Year ended 31 December 2022

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries are disclosed in note 7 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year:		
- continuing operations	(9,918)	3,419
- discontinued operations	(28,094)	-
	(38,012)	3,419
(Loss)/Profit for the financial year attributable to:		
Owners of the Company	(37,434)	3,419
Non-controlling interests	(578)	-
	(38,012)	3,419

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial period.

ISSUE OF SHARES AND DEBENTURES

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

Registration No.: 198401002327 (114842-H)

SHARE OPTIONS

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

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

SUBSIDIARIES

Details of the subsidiaries are set out in note 7 to the financial statements.

There is no qualified auditors' report on the financial statements of any subsidiary for the financial year in which this report is made.

At the end of the financial year, none of the subsidiaries held any shares in the Company.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Datuk Ng Bee Ken	
Tun Dato' Seri Zaki Bin Tun Azmi	
Sabri Bin Ab Rahman	
Dato Dr Suhazimah Binti Dzazali	
Wong Yoke Nyen	(appointed on 4 April 2022)
Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani	(appointed on 7 September 2022)
YTM Tunku Syed Razman Bin Tunku Syed Idrus	(appointed on 13 October 2022)
Abel Goon Chun Hoe	(appointed on 4 April 2022 and resigned on 24 August 2022)
Low Yan Seong	(resigned on 27 June 2022)
Wan Kamarul Zaman Bin Wan Yaacob	(resigned on 27 June 2022)
Pan Ding	(resigned on 22 September 2022)
Pan Dong	(resigned on 22 September 2022)

LIST OF DIRECTORS OF SUBSIDIARIES

The directors in office of the subsidiaries during the period commencing from the beginning of the financial year to the date of this report are:

Ahmad Jefri Bin Abdul Rashid	
Datuk Ng Bee Ken	
Khairul Amanda Binti Sabri	
Tun Dato' Seri Zaki Bin Tun Azmi	
Sabri Bin Ab Rahman	
Pan Ding	(resigned on 17 November 2022)

Registration No.: 198401002327 (114842-H)

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares as follows:

	Number of ordinary shares			
	At 1.1.2022	Acquisition	Disposal	At 31.12.2022
The Company				
Sabri bin Abd Rahman				
- *direct interest*	50,860,438	-	-	50,860,438
- *indirect interest* #1	-	50,000,000	-	50,000,000
- *indirect interest* &	70,000,000	-	-	70,000,000
Tun Dato' Seri Zaki Bin Tun Azmi				
- *indirect interest* #	4,860,000	5,000,000	-	9,860,000
- *indirect interest* #1	-	50,000,000	-	50,000,000
Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani				
- *direct interest*	-	50,125,000	-	50,125,000

\# *Deemed interest by virtue of his spouse's shareholdings in the Company*
#1 *Deemed interest by virtue of their shareholdings in Mypay Capital Sdn. Bhd.*
& *Represent the right to acquire the shares obtained from Gifted Investments Limited which was completed. As at the date of this report, that right to acquire shares had been secured with other nominated parties.*

By virtue of his interests in shares in the Company, Sabri bin Abd Rahman is deemed to have interests in shares of all the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year held any interests in shares in the Company during the financial year.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the right to acquire the shares of the Company from a former shareholder of the Company, Gifted Investments Limited.

Since the end of the previous financial period, no director of the Company has received nor become entitled to receive any benefits, other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the notes to the financial statements a or the fixed salary of full-time employee of the Company, by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Remuneration of the directors of the Company during the financial year are as follows :

	Group RM'000	Company RM'000
Directors' fees	333	153
Other emoluments (salaries, allowances, bonuses and benefit-in-kind)	682	81
Defined contribution benefits	24	-
	1,039	234

INDEMNITY AND INSURANCE COST

There was no indemnity given to or insurance effected for the directors of the Group or the Company.

OTHER INFORMATION

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps:

(i) to ascertain that appropriate 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 allowance for doubtful debts was not required ; and

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

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

(i) which would render the amount written off for bad debts of the Group or make allowance for doubtful debts in respect of the financial statements of the Group and of the Company; or

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

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.