PERTAMA DIGITAL

2021
ANNUAL REPORT

PERTAMA DIGITAL BERHAD
Company No.: 198401002327 (114842-H)

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Company No.: 198401002327 (114842-H)
(Incorporated in Malaysia)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

INDEPENDENT NON-EXECUTIVE CHAIRMAN	Datuk Dr. Kenny Ng Bee Ken
GROUP MANAGING DIRECTOR / EXECUTIVE DIRECTOR	Pan Ding
EXECUTIVE DIRECTORS	Sabri Bin Ab Rahman Pan Dong
INDEPENDENT NON-EXECUTIVE DIRECTORS	Tun Dato' Seri Zaki Bin Tun Azmi Dato' Dr. Suhazimah Binti Dzazali Low Yan Seong Wan Kamarul Zaman Bin Wan Yaacob Wong Yoke Nyen *(Appointed on 4 April 2022)* Abel Goon Chun Hoe *(Appointed on 4 April 2022)*

AUDIT COMMITTEE

CHAIRMAN	Datuk Dr. Kenny Ng Bee Ken
MEMBERS	Low Yan Seong Wan Kamarul Zaman Bin Wan Yaacob

REMUNERATION COMMITTEE

CHAIRMAN	Wan Kamarul Zaman Bin Wan Yaacob
MEMBERS	Datuk Dr. Kenny Ng Bee Ken Low Yan Seong

NOMINATING COMMITTEE

CHAIRMAN	Low Yan Seong
MEMBER	Datuk Dr. Kenny Ng Bee Ken
COMPANY SECRETARIES	Kang Shew Meng (MAICSA 0778565) SSM Practicing Certificate No. 201908002065 Seow Fei San (MAICSA 7009732) SSM Practicing Certificate No. 201908002299

AUDITORS	Mazars PLT (AF 001954) Chartered Accountants Wisma Golden Eagle Realty, 11th Floor, South Block No. 142-A, Jalan Ampang 50450 Kuala Lumpur
SHARE REGISTRAR	Bina Management (M) Sdn. Bhd. Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Tel : 603 7784 3922 Selangor Darul Ehsan Fax : 603 7784 1988
REGISTERED OFFICE	802, 8th Floor, Block C Kelana Square 17 Jalan SS7/26 47301 Petaling Jaya Tel : 603 7803 1126 Selangor Darul Ehsan Fax : 603 7806 1387
PRINCIPAL BANKERS	AmFunds Management Berhad Malayan Banking Berhad
STOCK EXCHANGE LISTING	Main Market of Bursa Malaysia Berhad
WEBSITE	www.pertamadigital.com

CORPORATE STRUCTURE AS AT 31 DECEMBER 2021

SUBSIDIARIES	EQUITY INTEREST
CONTINUING OPERATIONS	
➢ Television Airtime Services Sdn. Bhd. (“**TAS**”)	51%
Subsidiary of Television Airtime Services Sdn. Bhd.	
➢ DAPAT Vista (M) Sdn. Bhd. (“**DVSB**”) *(Note 1)*	80%
DISCONTINUED OPERATIONS	
➢ Be Top Group Limited (“**Be Top**”) *(Note 2)*	100%
Subsidiary of Be Top Group Limited	
➢ Top Textile (Suzhou) Co., Ltd.	100%

Note 1 *On 3 August 2021, the Company’s 51%-owned subsidiary, TAS, acquired additional 24% of equity interest in DVSB, increasing its stake in the latter to 80% and started to consolidate the results of DVSB.*

Note 2 *On 21 September 2020, the Company received the first cash payment amounting to RM12 million, together with the sum of RM3 million received in January 2019 as bidding bond from Gifted Investments Limited (“**GIL**”) for the tranche 1 share sale of 21.5% equity interest in Be Top in respect of the disposal of Be Top (“**Disposal of Be Top**”) announced on 2 May 2019. Accordingly, the tranche 1 Disposal of Be Top was completed in accordance with the terms set out in the disposal share sale agreement signed on 2 May 2019 (“**Disposal SSA**”) and Supplemental Disposal SSA (“**Supplemental Disposal SSA**”) signed on 18 June 2020 (“**Tranche 1 Completion**”).*

*On 16 July 2021, the Company announced that it received RM18.515 million as the second cash payment for tranche 2 share sale of 26.5% equity interest in Be Top. Accordingly, the tranche 2 Disposal of Be Top was completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA (“**Tranche 2 Completion**”).*

Pursuant to MRFS 10, accounting for the Disposal of Be Top shall only be accounted when the Company loses control of Be Top. As the Company still retains control over Be Top post completion of tranche 1 and tranche 2, the Company has accounted for the disposal proceeds for tranche 1 and tranche 2 received from GIL under other payables in accordance with the guidance issued in para B97 of MFRS 10.

PROFILE OF THE BOARD OF DIRECTORS

DATUK DR. KENNY NG BEE KEN
Independent Non-Executive Chairman
Male, 67 years old
Malaysian

Datuk Dr. Kenny Ng Bee Ken ("**Datuk Dr. Kenny**") was appointed to the Board on 27 January 2006. Datuk Dr. Kenny is the Chairman of the Board of Directors and the Audit Committee. He is also a member of both the Nominating Committee and the Remuneration Committee.

Datuk Dr. Kenny holds a Bachelor of Law (Honours) from the University of Wales, Cardiff, Wales and a Master of Laws from King's College, University of London. He is also a Barrister-at-Law of Lincoln's Inn, London, an Advocate & Solicitor of the High Court of Malaya and a Certified Mediator of the Malaysian Mediation Centre. He has been practicing as a lawyer since 1987 and is presently the Managing Partner of a law firm.

Datuk Dr. Kenny also holds Doctor of Divinity, a Master of Science (Corporate Communication) from Universiti Putra Malaysia and is an Associate of the Association of Costs and Executive Accountants, England.

Datuk Dr. Kenny also sits on the Board of Talam Transform Berhad, OpenSys (M) Berhad and Yong Tai Berhad.

Datuk Dr. Kenny is the father-in-law of Mr. Abel Goon Chun Hoe, an independent non-executive director of the Company.

Datuk Dr. Kenny attended all eight (8) Board meetings held in the 18-month financial period ended 31 December 2021.

PAN DING
Group Managing Director / Executive Director
Male, 57 years old
Citizen of the People's Republic of China ("**China**")

Mr. Pan Ding was appointed to the Board on 3 June 2010. He graduated with a Diploma in Mechanical Manufacturing and Machinery Engineering from Suzhou Vocational University. He is the co-founder of Be Top Group Limited and its wholly-owned subsidiary company, Top Textile (Suzhou) Co., Ltd. (collectively "**Be Top Group**"), a fabric production company based in China. He has over twenty years of experience in the fabric industry and is currently responsible for the formulation and execution of the overall business strategies of Be Top Group.

He is the brother of Mr. Pan Dong, an executive director of Pertama Digital Berhad ("**PDB**" or "**Company**")

Mr. Pan Ding attended all eight (8) Board meetings held in the 18-month financial period ended 31 December 2021.

SABRI BIN AB RAHMAN
Executive Director
Male, 62 years old
Malaysian

Encik Sabri Bin Ab Rahman ("**Encik Sabri**") was appointed to the Board of PDB on 11 November 2020 and hold office in the Company since then until to date.

Encik Sabri has in depth working experience in several industries including banking and finance, automobile, outdoor advertising, TV programme production and distribution, trading and sales and broadcasting. He is known in the broadcasting and communications industries for his work with some of the most prominent broadcasting and communications experts and specialists in Malaysia, as well as in the ASEAN region.

Encik Sabri started TAS in 1992, a company which provided TV programme content besides advertising and broadcasting services. TAS presently is a 51%-owned subsidiary of the Company. Encik Sabri has been actively involved in the development of private television operations in Malaysia since the inception of TV3, subsequently acquired Metrovision in 1996 and involved in consolidation of the TV3 group into Media Prima Berhad in 2000. Encik Sabri is also the founder of DVSB, in which TAS holds 80% equity interest, to expand government services through mobile technology.

Presently, Encik Sabri as Executive Director in both PDB and DVSB, oversees the implementation of mobile and digital solutions for e-government services. Apart from this, he is also a director of Pintar Foundation.

Encik Sabri attended all six (6) Board meetings held in the 18-month financial period ended 31 December 2021 since his appointment to the Board on 11 November 2020.

TUN DATO' SERI ZAKI BIN TUN AZMI
Independent Non-Executive Director
Male, 75 years old
Malaysian

Tun Dato' Seri Zaki Bin Tun Azmi ("**Tun Zaki**") was appointed as an independent non-executive Director of PDB on 21 April 2020.

Tun Zaki read law in Lincoln's Inn, London and obtained a Barrister-at-Law Degree in 1969. He joined the Malaysian Judicial and Legal Services as a Magistrate and was later transferred to the Attorney General's Chambers where he held several positions for 15 years before going into private legal practice.

He was then elevated to the bench as a Federal Judge for a few months before being appointed as the President of the Court of Appeal, the second highest judicial office. In 2008, he was appointed as the 12th Chief Justice of Malaysia. He also holds the distinction of being appointed as the first Chairman of the Judicial Appointment Commission until his retirement as Chief Justice in September 2011. Subsequently, Tun Zaki was appointed as Chief Justice of the Dubai International Financial Centre Courts in November 2018.

Tun Zaki continues to contribute to corporate Malaysia through his chairmanship of the board of Astro Malaysia Holdings Berhad Group. Tun Zaki is also the Chancellor of both Multimedia University and MAHSA University as well as Pro-Chancellor of Universiti Sains Islam Malaysia.

Tun Zaki attended all eight (8) Board meetings held in the 18-month financial period ended 31 December 2021.

PAN DONG
Executive Director
Male, 52 years old
Citizen of the People's Republic of China ("**China**")

Mr. Pan Dong was appointed to the Board on 3 June 2010 and is the co-founder of Be Top. He graduated with a Diploma in Economics Management from the Continuing Education Institute of Suzhou University. Prior to the formation of Be Top, Mr. Pan Dong has more than twenty years of experience in the fabric production industry in China. He is currently overseeing the Be Top Group 's fabric production operations, marketing, quality control, public relations and technology. He is the brother of Mr. Pan Ding, the Group Managing Director.

Mr. Pan Dong attended four (4) out of eight (8) Board meetings held in the 18-month financial period ended 31 December 2021.

DATO' DR. SUHAZIMAH BINTI DZAZALI
Independent Non-Executive Director
Female, 59 years old
Malaysian

Dato' Dr. Suhazimah Binti Dzazali ("**Dato' Dr. Suhazimah**") was first appointed to the Board on 11 November 2020.

Dato' Dr. Suhazimah is a Doctor of Philosophy in Information Security Management conferred by the University of Malaya. Apart from that, Dato' Dr. Suhazimah holds Bachelor's Degree (Computer Science) and Master's Degree of Science (Computer Science) from Northrop University, California, USA. In addition, Dato' Dr. Suhazimah is a Certified Disaster Recovery Professional of the Cybersecurity Certifying Body, EC Council and a Certified Tester Foundation Level of Malaysia IT Software Quality Board.

Dato' Dr. Suhazimah retired on 1 October 2020 after almost 35 years in public service, last holding the post of Deputy Director-General (ICT) / Government Chief Information Officer, in the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), Prime Ministers Department, since August 2014. She was previously the Public Sector ICT Consultant (Information Security Management) and was responsible for several transformative programmes in the Malaysian Government including the computerisation and modernisation of the Immigration Department.

Dato' Dr. Suhazimah was instrumental in in-house formulation of the Public Sector ICT Strategic Plan 2016-2020 and the more recent Public Sector Digitalisation Strategic Plan 2021-2025. Some of the significant achievements of the former strategic plan implementation are the establishment of the Public Sector Private Data Centres and Cloud Services; Malaysia Government Data Exchange Platform; Government Online Services Gateway; Digital Document Management Services; and the increase of open-source adoptions for in-house system developments.

Dato' Dr. Suhazimah has been recognised as among the World's 100 Most Influential People in Digital Government 2019 (by the entrepreneur-government cooperation platform Apolitical) and as the Information Security Professional of the Year 2013 (by Cyber Security Malaysia - Awards, Conference & Exhibition).

Dato' Dr. Suhazimah attended five (5) out of six (6) Board meetings held in the 18-month financial period ended 31 December 2021 since she was first appointed to the Board on 11 November 2020.
Audit

LOW YAN SEONG
Independent Non-Executive Director
Male, 50 years old
Malaysian

Mr. Low Yan Seong ("**Mr. Low**") was appointed to the Board on 28 June 2010. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr. Low qualified as a Fellow of the Association of Chartered Certified Accountants (FCCA) in June 2005. He has extensive experience in financial management and reporting, financial due diligence and investors relations in various industries. Mr. Low began his professional career with an international accounting firm in Malaysia and held a position with Deloitte & Touche ("**Deloitte**") Singapore office since 1998. He joined Deloitte's Beijing office in 2004 and subsequently joined a public listed company in Singapore as Chief Financial Officer, before assuming positions in various appointments in The People's Republic of China. He was the Chief Financial Officer of China Green Material Technologies, Inc. until October 2012. He then joined a corporate advisory firm, Capital360 Investment Management Center as Partner.

Mr. Low attended all eight (8) Board meetings held in the 18-month financial period ended 31 December 2021.

WAN KAMARUL ZAMAN BIN WAN YAACOB
Independent Non-Executive Director
Male, 67 years old
Malaysian

Encik Wan Kamarul Zaman Bin Wan Yaacob ("**Encik Wan**") was appointed to the Board on 28 June 2010. He is the Chairman of the Remuneration Committee and a member of the Audit Committee.

Encik Wan holds a LLB (Hons) Degree from the University of London and CLP (Malaya) as well as an M.Sc (A.Econs) and B.Sc. Degree from Louisiana State University, USA.

He was a banker for more than 20 years and has worked with several financial institutions in Malaysia. During his tenure in the financial services industry, he was involved in corporate finance and advisory work, corporate banking and loan syndication, treasury as well as the corporate bonds/sukuks and the private debt securities market. After leaving the financial services industry, he joined a legal firm, Messrs Abu Talib Shahrom, as Partner.

Encik Wan attended all eight (8) Board meetings held in the 18-month financial period ended 31 December 2021.

WONG YOKE NYEN
Independent Non-Executive Director
Male, 63 years old
Malaysian

Mr. Wong Yoke Nyen ("**Mr. Wong**") was appointed to the Board on 4 April 2022. Mr Wong holds an Advance Diploma in Corporate Finance from Institute of Chartered Accountants in England and Wales ("**ICAEW**") and The Chartered Institute for Securities Investment. He graduated from the City of London Polytechnic (now known as London Metropolitan University) in United Kingdom and was conferred with a Bachelor of Arts Second Class Honours Degree (First Division). Apart from attended an advance management programme in The Wharton Business School, University of Pennsylvania, USA, Mr Wong is also a member of ICAEW (Corporate Finance Faculty).

Mr. Wong started his career in Baker Rooke, a firm of Chartered Accountants in London, United Kingdom in 1981, where he gained extensive experience in the areas of auditing, accountancy and management consultancy work. Mr. Wong later joined Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) in 1983. His last position held in Aseambankers Malaysia Berhad was the Executive Vice President cum Head of Corporate Finance. As a seasoned investment banker, he has more than 35 years of corporate finance and investment banking experience. He was previously an honorary advisor to the Master Builders Association Malaysia from July 2008 to June 2010.

In 2004, Mr. Wong founded WYNCORP Advisory Sdn. Bhd., a licensed corporate finance advisory company and holds the position of Managing Director since inception until to-date.

Mr. Wong is the Independent Non-Executive Chairman of Benalec Holdings Berhad. He is also an Independent Non-Executive Director of Hap Seng Consolidated Berhad, Focus Lumber Berhad, Sentoria Group Berhad and Export-Import Bank of Malaysia Berhad.

ABEL GOON CHUN HOE
Independent Non-Executive Director
Male, 28 years old
Malaysian

Mr. Abel Goon Chun Hoe ("**Mr. Abel Goon**") graduated as a Bachelor in Science (Actuarial Science) from City University London. He started his career as a Research Analyst at TA Enterprise in 2015, where he covered the local automotive and oil and gas sectors. In 2018, he was promoted to Senior Research Analyst.

In 2019, Mr. Abel Goon joined ATM Capital Management Sdn. Bhd. ("**ATMCM**"). He subsequently applied for and successfully obtained the Capital Markets Services Representative License for Fund Management in relation to Portfolio Management under ATMCM in 2021. He was the Chief Operating Officer / Executive Director of ATMCM. Mr Abel Goon's key duties at ATMCM were coordinating between the different departments to ensure smooth running of the overall operations of the company and was part of a team managing two wholesale equity funds. He recently resigned from ATMCM in April 2022.

Mr. Abel Goon is a CFA charter holder and is currently pursuing the Financial Risk Manager certification.

Mr Abel Goon is the son-in-law of Datuk Dr. Kenny, the Independent Non-Executive Chairman of PDB.

Notes:

- None of the Directors have been convicted for any offences other than traffic offences within the past 5 years and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.
- Save as disclosed above, none of the Directors have any family relationship with any Director and/or substantial shareholder of the Company.
- None of the Directors have any conflict of interest with the Company.
- Save as disclosed above, none of the Directors sit on the Board of any other public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT & EXECUTIVES

SABRI BIN AB RAHMAN
Executive Director
Male, 62 years old
Malaysian

Encik Sabri Bin Ab Rahman ("**Encik Sabri**") was appointed to the Board of PDB on 11 November 2020 and hold office in the Company since then until to date.

Encik Sabri has in depth working experience in several industries including banking and finance, automobile, outdoor advertising, TV programme production and distribution, trading and sales and broadcasting. He is known in the broadcasting and communications industries for his work with some of the most prominent broadcasting and communications experts and specialists in Malaysia, as well as in the ASEAN region.

Encik Sabri started TAS in 1992, a company which provided TV programme content besides advertising and broadcasting services. TAS presently is a 51%-owned subsidiary of the Company. Encik Sabri has been actively involved in the development of private television operations in Malaysia since the inception of TV3, subsequently acquired Metrovision in 1996 and involved in consolidation of the TV3 group into Media Prima Berhad in 2000. Encik Sabri founded DVSB, a subsidiary of TAS (80% equity interest) to expand government services through mobile technology.

Presently, Encik Sabri as Executive Director in both PDB and DVSB, oversees the implementation of mobile and digital solutions for e-government services. Apart from this, he is also a director of Pintar Foundation.

PAN DING
Group Managing Director / Executive Director
Male, 57 years old
Citizen of The People's Republic of China

Mr. Pan Ding was appointed to the Board of Top Textile (Suzhou) Co., Ltd. ("**Top Textile**") on 13 March 2006 and hold office in Top Textile since then until to date.

He graduated with a Diploma in Mechanical Manufacturing and Machinery Engineering from Suzhou Vocational University. He is the co-founder of Be Top Group Limited, the holding company of Top Textile (Suzhou) Co., Ltd. (collectively "**Be Top Group**"). Be Top Group is primarily involved in the fabric production business and based in China. He has over twenty years of experience in the fabric production industry and is currently responsible for the formulation and execution of the overall business strategies and policies of Be Top.

He is the brother of Mr. Pan Dong, a Director of Top Textile.

PAN DONG
Executive Director
Male, 52 years old
Citizen of The People's Republic of China

Mr. Pan Dong was appointed to the Board of Top Textile on 13 March 2006 and hold office in Top Textile since then until to date.

Mr. Pan Dong graduated with a Diploma in Economics Management from the Continuing Education Institute of Suzhou University. He is the co-founder of Be Top Group. Prior to the formation of Be Top Group, Mr. Pan Dong has close to twenty years of experience in the fabric production industry in China. He is currently overseeing Be Top Group's production operations, marketing, quality control, public relation and technology, leveraging on his experience in the industry.

He is the brother of Mr. Pan Ding, a Director of Top Textile.

Notes:

- None of the key senior management has been convicted for any offences other than traffic offences within the past 5 years and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.
- Save as disclosed above, none of the key senior management has any family relationship with any Director and/or substantial shareholder of the Company.
- None of the key senior management has any conflict of interest with the Company.

EXECUTIVES PROFILES:

Saifullah Akhtar, Strategy
Saifullah Akhtar is an executive with extensive entrepreneurial experience at all stages of building technology businesses. Specifically, he has expertise in identifying impending trends in the technology landscape and preparing these compelling solutions for entry into emerging markets like Southeast Asia.

Saifullah's experience also includes attracting investments, both locally and internationally, towards high-growth technology opportunities in these same markets where 85% of the global population resides. Beyond capital, Saifullah is adept at facilitating international technology companies, including unicorn startups, to land and deploy their offerings in Southeast Asia. Saifullah was a strategic partner to both Uber (2014) and GrabCar (2015) to launch and grow their gig economy offerings in Malaysia.

Additionally, his alternative data for credit assessments business was handpicked by the UK Department of International Trade for relocation to London, where it expanded in collaboration with financial inclusion organisations in London, MENA and South Asia. While in London, Saifullah was a member of the Select Committee chaired by Baroness Sandip Verma (ex-Minister of International Development, UK and Chair of UN Women UK) to attract Middle Eastern investment into the UK, specifically for tech startup ecosystems.

Saifullah has won two gold awards from the UK Department of International Trade for entrepreneurship in Singapore (2017) and in London (2019).

In 2021, Saifullah led Pertama Digital Berhad's digital bank license application, which was submitted to Bank Negara Malaysia in June 2021. He was responsible for the entire Shariah-compliant concept, gathering product partners (eg. Experian) and investors as well as coordinating the final delivery in accordance with the central bank's requirements. Pertama Digital was 1 of just 29 applicants.

Prior to joining Pertama Digital Berhad as Director of Strategy in 2021, Saifullah consulted for established businesses in London, Nigeria and Singapore on their digitalisation strategies.

Amanda Sabri, Product and Operations
Managing Director of Pertama Digital's flagship operating company DVSB, is a true technopreneur. Since her student days in London, she has honed her analytical and systematic approach to business through co-founding a successful e-commerce business exporting luxury consumer goods from the UK to South East Asia; contributing to the pioneer e-hailing ecosystem in Malaysia; and co-founding an online solution for the short-term residential rental market for young executives and expatriates, which received seed investment from Telstra Australia.

Amanda's businesses have received international investments and accolades, including two-times winner of the UK Department of International Trade's Great Entrepreneur Games. Amanda was instrumental in deploying DVSB's digital court bail payment solution, eJamin, in courts throughout Malaysia 7 months ahead of schedule, with the endearing support of the tech-savvy Malaysian Judiciary, through the Office of the Chief Registrar of the Federal Court.

Azlan Alam, Finance
Azlan graduated with honours in 1991 from the University of Technology MARA with an Advanced Diploma in Accountancy, and was admitted by the Malaysian Institute of Accountants in 1995 as a Chartered Accountant (Malaysia). He then completed his professional examinations of the Institute of Chartered Secretaries and Administrators of the United Kingdom and of the Chartered Association of Certified Accountants of the United Kingdom, in 1992 and in 1997, respectively. Trained as a Chartered Accountant with Messrs. Coopers & Lybrand Malaysia (currently known as PWC Malaysia) for 5 years until July 1996, he then pursued his career in various managerial capacities, for 24 years within the stockbroking, banking, and financial conglomerate sectors.

Azlan started his illustrious career in a managerial role as the Manager, Finance and Administration cum Company Secretary, Malaysian Issuing House Sdn Bhd, from July 1996 to December 2003. After having established experiences, he moved on to being the Vice President Finance and Administration, Islamic Banking Division of RHB Bank Malaysia Berhad, from January 2004 until February 2005, then in March 2005 promoted to the Chief Financial Officer, RHB Islamic Bank Berhad till June 2006. He continued to build his career and background in RHB Islamic Bank Berhad as the Chief Risk Officer from July 2006 until July 2008. In August 2008, Azlan then moved on to BIMB Holdings Berhad as the Group Chief Financial Officer, holding the position for a long tenure until February 2015 then further establishing himself as the Chief Operations Officer in BIMB Holdings Berhad, from March 2015 to December 2020.

His areas of expertise are financial reporting, financial management, risk management, management & strategy, project management and governance & transformation.

Michelle Chiou, People
Michelle is a senior people consultant, psychologist, and change strategist that has held various HR positions, including CHRO positions across APAC with over 20 years' experiences across industries from automotive, hospitality, financial, medical solutions, pharmaceutical, logistics and manufacturing and other diversified industries. She previously worked in IDS Medical System Group covering 9 countries in Asia as the Chief Human Resources Officer.

Prior to that, she worked in Tan Chong Group's diversified businesses covering 3 public-listed companies with over 14,000 employees across 6 countries for 13 years, where her last held position was the Head of Group Human Resources and Head of Group Employee Relations (Senior Consulting Psychologist). She has also worked in AstraZeneca and INTI College (now INTI International University) where she started her career in counselling, lecturing, sales, human resources and customer service.

Michelle has a passion in organizational dynamics by mentoring, training, and adapting others to augment and develop leadership capabilities and changes in critical thinking with the right mindsets and behaviors to build sustainable and authentic leaderships. From her work over the years, Michelle is a recognized leader in the human resources field especially in organizational development and industrial-organizational psychology. She is a regularly invited speaker and panelist for talks/forums on a wide range of topics of people and progressive practices. Her leadership has drawn recognition awards for her organizations as well as leadership awards for being one of the "finest woman leaders & achievers in organizations that believes in producing leaders of change & nurture gender diversity in Asia"- World Women Leadership Congress.

Under HR management and her senior lead roles over the years, she garnered proficiencies in industrial relations, training, coach, recruitment, organizational development, investigations, auditing, risk management, sales, and customer relations.

CHAIRMAN'S STATEMENT

Dear valued shareholders,

On behalf of the Board of Directors of the Company ("**Board**"), I am pleased to present to you the Annual Report for the 18-month financial period ended 31 December 2021.

The unexpected eruption of the Covid-19 has taken toll on the daily lives and businesses alike around the globe. The aftermath of the disruptions has led many businesses to face challenges of sustaining. In this respect, I am pleased to note that the Group has responded in a well-prepared manner and managed to navigate through these difficult and challenging times. The Group has managed itself well on the trend of digitalization trend here in Malaysia and the rest of the world with a successful business model that met the growing needs of Rakyat during the various phases of Movement Control Orders (MCO).

APPOINTMENT OF BOARD MEMBERS

Encik Sabri and Dato' Dr. Suhazimah were appointed as Directors of the Company on 11 November 2020. I, together with my existing Board members, welcome Encik Sabri and Dato' Dr. Suhazimah to the Board as Executive Director and Independent Director, respectively. The appointment of Encik Sabri and Dato' Dr. Suhazimah was indeed timely as both of them have extensive exposure and experience in the digital solutions businesses as well as within the realm of information and communications technology.

REVIEW OF BUSINESS OPERATIONS

The financial period just ended has been busy for the Company as the Group is on an expansion trajectory towards building a stronger foothold in its existing digital payment services sector as well as diligently exploring new business opportunities to enhance earnings performance.

The Group Managing Director and Executive Director of PDB, Mr. Pan Ding ("**Mr. Pan**"), will brief matters relating to updates on the Group's business performance, review of operating environment and the Group's strategic direction, moving forward.

CORPORATE GOVERNANCE

On the corporate governance front, it remains as a top itinerary on the Board's agenda to conform to corporate governance best practices. The Board concurs that the nurture of culture and these best practices are to be internalized in the Group's policies and procedures for thorough compliance. In fact, good corporate governance without compromise is one of the core values in the Group's corporate culture.

BOARD OVERSIGHT

The Group is currently steered by a Board with Directors from various industrial and professional backgrounds. Our Board is committed to perform fiduciary oversight on corporate matters that are currently progressing.

MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009 ("MACC ACT 2009")

The Group adheres strictly against corruption, bribery, or any kind of abuse of power and authority. In line with this and the coming into force of the MACC Act 2009, the Group has drawn up a Group Policy on Anti-Bribery and Corruption ("**ABC Policy**") approved by the Board.

The ABC Policy applies to directors and employees across the Group which requires that directors and employees of the Group shall not offer or give any gift or hospitality (including meals and entertainment) to, or request or accept any gift or hospitality from, external parties such as potential and existing business partners, contractors, agents, clients and public officials. Directors and employees of the Group must politely decline any gift or hospitality offered by such external parties.

OTHER CORPORATE GOVERNANCE BEST PRACTICES

The Board maintains its stance on the segregation of duties and power, manifested by having the roles of Chairman and Group Managing Director are being held by different individuals. Segregation of the two senior positions in the Company balances power and authority, which provides an effective check and balance mechanism within the Board. This is consistent with the Group's determination to uphold principles of good corporate governance.

WORDS OF APPRECIATION

The Board expresses gratitude towards the Executive Directors who had contributed efforts in managing the Group's business operations.

To all my fellow Board members, I thank you for all your contribution of ideas and unwavering support throughout the year in guiding the Group. Lastly, I would like to express our sincere appreciation to all shareholders and stakeholders for their patience and confidence to the Management during this growth period into the exciting future of digitalisation.

Yours truly,
Datuk Dr. Kenny Ng Bee Ken
Independent Non-Executive Chairman

GROUP MANAGING DIRECTOR’S STATEMENT

集团董事经理献词

Dear Esteemed Shareholders

尊敬的股东大家好

I am pleased to present the Managing Director’s Statement to shareholders of the Company about the past financial period and outlook of the Group.

我很荣幸为上市控股公司（“**公司**”）的股东们在新的一个里程碑发表董事经理献词, 向各位股东汇报公司在过去一年半的概况以及公司和集团未来展望。

OVERALL CORPORATE DEVELOPMENT

The Group again achieved another significant milestone during the financial period ended 31 December 2021. During the financial period under review, it has, through its subsidiary, TAS, successfully completed the acquisition an additional block of 24% shares in DVSB. DVSB was formerly a jointly controlled entity held through TAS. Post-acquisition, TAS holds 80% interest in DVSB and obtained control in the latter. Hence, TAS has started consolidating the results of DVSB effectively from August 2021.

企业概况

集团于本财政期再度到达另一个里程碑，通过旗下子公司 TAS 成功收购 DVSB 24%股份。收购前，DVSB 原本是 TAS 所投资的一家联营公司；收购完成之后， TAS 实际掌控 80% DVSB 的股份。TAS 从 2021 年 8 月开始合并 DVSB 的财务报表。

PDB has a vision of providing services to enable more convenience in the lives of the the Rakyat. As an initial tech-driven Malaysian company specialised in mobile technology and digitalisation of government services, DVSB aims to enhance its operations to include solutions in mobile and web applications, mobile payment and messaging, business empowerment Application Programming Interfaces, and other customised digital services.

上市控股公司怀着为人民提供便利服务的愿景。公司旗下的 DVSB 创立初衷是成为一家专注于移动服务技术和将政府服务领域数字化业务的公司。DVSB 的目标是提升其运营范围至移动和网络应用程式、移动支付及短信发送服务、企业应用程序接口和其他定制的数字服务。

DVSB also owns and operates the eJamin and MyPay apps:
DVSB 同时也经营着 eJamin 保释金数字支付平台和 MyPay 应用程序：

- Launched in 2020, eJamin is the pioneer digital bail payment deployed in the ASEAN region. It has reduced the bail payment process from hours to only a few minutes, helping alleviate the stress bailors face in the tensed and difficult situation of posting bail for a loved one. eJamin was developed in compliance with current judicial procedures and banking regulations.

  eJamin 是东南亚首创的数字保释金支付平台（“**平台**”）； 该平台将保释金支付过程从过往的几个小时缩短至几分钟，使得民众在准备为至亲支付保释金期间得以缓解压力。 eJamin 这个平台的编制符合司法操作流程及银行管制条例。

- MyPay is a mobile app that enables secure, easy and fast check-and-pay transactions with government agencies among other features. It uses artificial intelligence to bridge data from government agencies that are relevant to users. It empowers the Rakyat to receive bills and reminders; make payments; apply for financing; and other convenient digital services such as financial health check and digital court bail payments (through eJamin). MyPay is protected by bank-level security and complies with data protection laws. It aligns with government efforts towards flexibility as society moves on to low touch, contactless solutions.

  MyPay 是一个移动应用程序， 它能提供用户一个安全、简易迅速查询-支付政府部门费用的功能。MyPay 使用人工智能将政府部门的数据资料跟用户的移动端衔接。民众可以通过该移动应用程序接收发票、提醒信息、支付甚至申请贷款。其他的功能包含财务状况测试和法庭保释金数字化支付服务（通过 eJamin 保释金数字支付平台完成）。MyPay 应用程序有着银行业界安全协议的水平， 同时符合个资保护法律条款。这个移动应用程序与政府所提倡的零接触相呼应。

DVSB is a well-established player of 20 years' experience in the growing mobile and digital industry. Moving forward, PDB is in a more advantageous position to gear towards growing into a successful GovTech company and be inspired to become a successful FinTech company.

DVSB 在持续成长的移动和数字化行业有二十余年的地位。 接下来， 上市控股公司将处于一个更有优势的地位， 以成功的迈向政府科技业务， 同时期待在金融科技业务大展拳脚。

The operating environment of Top Textile which is based in China, has been significantly affected by the following major factors in the past financial period:

托普纺织在中国的业务过去一年半严重受以下因素影响:

TRADE WAR BETWEEN THE UNITED STATES ("USA") AND CHINA

The prolonged unresolved trade war between USA and China ("**Trade War**") has casted a great deal of pressure on the sales revenue of Top Textile. Our major customers are forced to switch to supply to the domestic market after the export market has been muted resulting from the Trade War.

中美贸易战

由于中美贸易战自一直处于僵持状态，导致托普纺织销售下降；在贸易战之前，托普一些主打出口业务的客户只好转战内销市场以弥补每况愈下出口外销。

EFFECT OF THE COVID-19 OUTBREAK

The sudden outburst of COVID-19 in January 2020 had once forced the production line of Top Textile into a total halt for one month based on a directive issued by the government as part of the efforts to prevent spreading of COVID-19. The production line had gradually resumed to its full capacity. However, the unstable situation of the pandemic has deeply affected demand in the fabric production and sales revenue.

新冠肺炎爆发的影响

于 2020 年 1 月爆发的新冠肺炎曾经导致托普纺织停产一个月，停产主要原因是政府禁止企业在疫情高峰期开工以切断传播链。随后， 托普虽已恢复全面生产， 却因为反反复复的疫情减低了整体市场对于面料的需求而导致了纺织业务收入下降。

UPDATES ON CORPORATE EXERCISES BY PERTAMA DIGITAL GROUP

The Board had taken cognisance of the Trade War. As Top Textile's customers are domestic companies, the customers continue to sell their products to overseas markets which include the USA. Hence, the uncertainty arising from the Trade War have adversely impacted the businesses of Top Textile's customers and inevitably Top Textile's business.

集团企业活动进展更新

董事局对于当前中美之间的贸易战也感忧虑，即便托普的主要销售客户是国内厂商，然而这些厂商大部分经营出口业务，他们的出口市场也包括美国，因此目前中美贸易战所处于的胶着状态对托普客户的业务肯定有着负面影响，也进而影响了托普的纺织业务。

Disposal of Be Top has progressed to the stage of completion of tranche 2 in July 2021. The Company received the first cash payment from GIL in September 2020 and subsequently the second cash payment in July 2021. Currently, the Company and GIL have mutually agreed to extend the cut-off date to 19 July 2022. The Group endevours to complete the disposal in the soonest possible time.

脱售 Be Top 集团有限公司的项目已经进行到了第二阶段。 公司已于 2020 年 9 月 21 号收到了 GIL 公司支付的第一笔资金，第二笔资金也按协议在 2021 年 7 月 16 号到账。第三阶段工作经双方友好协商，一致同意展期到 2022 年 7 月 19 号；上市控股公司热切期待脱售项目早日圆满完成。

CONCLUSION AND OUTLOOK

The Company will update shareholders and the investing public at large from time to time via public domain on the development of the aforementioned corporate proposals.

In this era of digitalisation, I am confident that PDB's investment with the TAS Acquisition, is timely and worthwhile.

Lastly, I would like to express my sincere gratitude to our shareholders for your understanding and continuous support.

总结与展望

上市控股公司会通过公众平台向广大股东群体和投资者陆续更新项目的后续发展。在数字化大趋势之下，公司投资新业务的决定和方向是合时并且值得。最后，我对股东们的支持表示衷心的感谢！谢谢大家的理解和支持！

Pan Ding 潘鼎

Group Managing Director 集团董事经理

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.

BACKGROUND
PDB was incorporated on 15 February 1984. The Company is listed on the Main Market of Bursa Malaysia Berhad ("**Bursa**"). As the Group is in the process of disposing its foreign business operations (production and sale of fabric products), hence, there are two major operating segments, namely the continuing operations and discontinued operations. Nonetheless, focus will be on the continuing operations segment, which comprises the following:

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

The Company 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.

UPDATES ON THE DISCONTINUED OPERATIONS
Whereas in the discontinued business segment, the Group is in the process of disposing the entire equity interests in Be Top Group Limited and its wholly-owned subsidiary, Top Textile (Suzhou) Co., Ltd. ("**Disposal of Be Top**") ("**Disposal Group**"), approved by shareholders of the Company in an Extraordinary General Meeting held on 21 August 2020.

To date, the Disposal of Be Top has progressed up to tranche 2 which was completed on 16 July 2021, 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 of Be Top:

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

Pursuant to MRFS 10, accounting for the Disposal of Be Top shall only be accounted when the Company loses control of Be Top. As the Company still retains control over Be Top post completion of tranche 1 and tranche 2, the Company has accounted for the disposal proceeds for tranche 1 and tranche 2 received from GIL under other payables in accordance with the guidance issued in para B97 of MFRS 10.

PRINCIPAL BUSINESS OPERATIONS OF THE GROUP

BACKGROUND

On 22 May 2020, the Company has completed its acquisition of 5,865,000 shares in TAS which entails the Company owning 51% equity interest in TAS, a private limited company principally being an investment holding company. As at the reporting date, TAS owns 80% of equity interest in DVSB, after completing the acquisition of an additional 24% of equity interest in DVSB. DVSB is a company principally involved in the development, operations and maintenance of mobile messaging and mobile payment applications for government electronic services.

DVSB commenced operations in 2000 as a premium content provider via short messaging system ("**SMS**") for major broadcasting stations and print media organisations in Malaysia. In 2003, DVSB expanded into mobile data services. In 2004, DVSB was issued the Application Service Provider Class License by the Malaysian Communications and Multimedia Commission for the provision of mobile internet messaging solutions utilizing SMS and wireless application protocol as the base platforms. In the same year, DVSB commenced developing the SMS RakanCop service where individuals can make a real time report of an incident by sending an SMS to the 32728 shortcode. DVSB has been working closely with the Malaysian Administrative Modernisation and Management Planning Unit ("**MAMPU**"), the Government secretariat for public service administration modernisation and innovation initiatives, leading to a contract award in 2008 for the development of mySMS based on the 15888 shortcode.

Subsequently on 16 December 2011, DVSB secured from MAMPU a build/operate/own ("**BOO**") contract (with an initial consideration of RM2.30 million in 2011). The scope includes: mySMS 15888 portal for government SMS communications; USSD (interactive SMS) services (myUSSD *158#); MMS portal (myMMS); various mobile applications (myApp); a one-stop portal called myMobile; and government payments app called myPay (now known as MyPay). This BOO contract allows DVSB to access and develop small application and connection services for more than 370 Government agencies and departments in Malaysia. Based on these track records, DVSB is well positioned to support Malaysia's efforts to be more digitally enabled arising from its 12 years long standing and established business relationships with the Government ministries and agencies for whom DVSB has developed mobile messaging and mobile payment application and continues to operate and maintain till today.

The BOO contract was extended until 17 August 2018, after which the government policy was to decentralise the management of this arrangement on the government side (ownership of the products, especially MyPay, remain with DVSB). On 16 May 2018, MAMPU communicated with 374 Government agencies in endorsing DVSB as the vendor for e-government services after the decentralisation.

In 2012, DVSB ventured into the development of mobile payment applications and launched MyPay 1.0, then a cash register for users to access Government-related services. Subsequently in 2014, DVSB developed AppGen, a user-friendly tool for Government agencies to conceive, create, manage, test, collaborate and share their mobile applications. For better public access, DVSB further developed a portal to host the mobile applications of Government agencies under one official application store, namely the Galeri Aplikasi Mudah Alih Kerajaan Malaysia (GAMMA). In 2015, DVSB revamped, rebranded and relaunched Malaysia's open data portal (www.data.gov.my) as a common platform for easy public access to Government open data sets.

Subsequent to product development and enhancement, DVSB relaunched the improved MyPay 2.0, a government digital service platform, in August 2019. MyPay aims to offer a one-stop platform for all queries and payment-related transactions with Government agencies in Malaysia. The key areas of services that MyPay 2.0 cover include information retrieval and payment for driving license expiry and polling station location for general elections, National Higher Education Fund Corporation ("**PTPTN**") student loans, local council and police summons, assessment and quit rent, and insolvency.

In August 2019, DVSB relaunched the improved MyPay 2.0, which aims to offer a one-stop platform for all queries and payment-related transactions with Government agencies in Malaysia. Currently, DVSB has rolled out MyPay 2.0 services for 17 Government ministries and agencies including the Polis Diraja Malaysia ("**PDRM**"), PTPTN, Road Transport Department Malaysia, Majlis Perbandaran Subang Jaya ("**MPSJ**"), Majlis Bandaraya Petaling Jaya ("**MBPJ**") and Election Commission of Malaysia ("**EC**").

DVSB is a tech-driven Malaysian company specialised in mobile technology and digitalisation of government services. It provides solutions in mobile and web apps, mobile payment and messaging, business empowerment Application Programming Interfaces and other customised digital services.

KEY MANAGEMENT PERSONNEL

Encik Sabri, the Executive Director of the Company and TAS is the pivotal role who continues to spearhead the business and operations of TAS Group. Encik Sabri being the founder as well as executive directors of both TAS and DVSB, has over 30 years of experience across multiple industries including banking and finance, automobile, outdoor advertising, television programme production and distribution, trading, sales and broadcasting since his graduation in 1981.

The Managing Director of DVSB, Khairul Amanda Sabri ("**Amanda**") is instrumental in overseeing the implementation of visionary conceptualization of DVSB's growth path. Amanda is responsible for the overall product development progress and shares her expertise relentlessly in the enhancement of DVSB's products in response to the market needs. Her contribution towards the rapid growth of DVSB dated back to the times prior to her previous position as CEO of DVSB. Amanda parted her sharp market senses that lead to innovative niche market products development in the digital business solutions. Amanda's precise market senses dated back to the days. She started her entrepreneurial passion since her early 20s in e-commerce, food and beverage, the digital market for property rentals as well as artificial intelligence and big data analytics.

Amanda is supported by the following key management staff in the technology backbone, business expansion and growth divisions, namely:

1) Raja Irwan Shah Raja Bin Raja Hassan ("**Raja Irwan**"), Head, Product of DVSB

   Raja Irwan graduated from Universiti Teknologi Mara, with ten years of experience in software engineering, and data analytics. He currently leads a team of 8 employees, in developing and creating digital and mobile solutions as the core business of the Group.

2) Aishah Ghaffar ("**Aishah**"), Head, Expansion & Growth of DVSB

   Aishah is the principal person-in-charge of a portfolio of 4 flagship products of launched by DVSB. Aishah graduated from University of Melbourne. Currently, Aishah is helming a team of 9 employees, in not only promoting the products and services of DVSB but steering the business strategy of DVSB in generating revenues.

PROGRESS AND ACHIEVEMENT OF PRODUCTS

a) eJamin

DVSB launched its digital bail payment solution, eJamin, on 13 January 2020 and targeted to implement eJamin in all criminal courts in Malaysia by end of 2020. Instead, by June 2020 and within a span of less than six months since eJamin was launched, DVSB successfully implemented eJamin in the Malaysian criminal courts; as at 31 December 2021, eJamin was implemented in 178 criminal courts in Malaysia. With the COVID-19 precautions against close contact, eJamin helps courts and the public at large to continue carrying out essential criminal court bail payment procedures through a contactless digital solution that also avoids crowds in queues.

In 2021, DVSB was pleased to announce that the public can now make digital payments beyond RM30,000 (the initial payment limit), up to RM500,000 for court bails through eJamin. The increase in Financial Process Exchange (FPX) limit for each transaction enabled more people to take advantage of the convenient digital bail process through eJamin.

DVSB is pleased to also report that a total of RM121.50 million in bail collections were collected from January to December 2021.

b) MyPay

Every year, businesses, enterprises and government including Malaysians themselves are paying for obsolete and poorly executed digital services due to the dependency of the government and local enterprises on mismatched procurement models which would be better suited to goods and services which are non-digital in nature such as buildings and physical infrastructure.

These same procurement processes, when digital services applied, deliver outcomes that are costly, slow, unreliable and ultimately unpopular with their intended customers.

However, the same customers are delighted with excellent digital experiences on social media, e-commerce and entertainment platforms, resulting in heightened expectations of digital services that government and enterprises are unable to keep pace with.

In 2020, the Company set out on a mission to transform the government and enterprise digitalisation model for emerging markets: by delivering swift, lean, targeted, focused and highly relevant digital services on a *pay-for-performance* revenue model, in close partnership with the government and enterprises.

MyPay was introduced as a mobile payment system that consolidates Government services into a single digital platform. It gives Malaysians the convenience to easily retrieve information, check status and make payments to Government agencies from their mobile phones.

In 2021, MyPay underwent a full revamp to drive usability and customer retention. The result was a new interface supported by a more robust, secure technical infrastructure that can scale elastically to meet the needs of government agencies. New features include a customisable home page that allows users to select and place quick links to agencies they most frequently deal with and biometric logins.

DVSB invested resources in growing MyPay's user base and Gross Transaction Value. Attention was paid to sustained digital media campaigns and the application of Pirate Metrics to drive customers through a funnel with the following stages: Customer Acquisition, Customer Activation, Customer Retention, Customer Referral, Revenue. DVSB is pleased to report growth against these metrics. Customers also benefited from video guides to ease them into understanding government transactions better.

In 2021, MyPay was also used as the digital platform to launch Coin Conversions as a proof of concept, placed prominently on the home page of the app. MyPay has also proven popular with state Islamic religious councils, for the purposes of Zakat collections. In December 2021, the acting Chief Executive Officer of Majlis Agama Islam Wilayah Persekutuan, Abdul Hakim Amir Osman issued a public testimonial saying that the MyPay zakat payment feature includes the most intuitive calculator on the market that will ease the process for Muslims to fulfil their obligations. Zakat is good business because of the social impact as well as reliance on fintech components like our payment gateway and upcoming digital banking services.

In 2021, MyPay introduced the Billers feature, which enabled customers to make payments to a substantial number of businesses and government agencies via the app. MyPay has been very popular with government agencies because of our unique Pay-for-Performance model, which requires no financial commitment from government agencies in order to start transacting digitally in a matter of weeks. This lowers the barrier of entry significantly and expedites the digitalisation of our public sector.

MyPay also launched a digital personal loan application with Bank Islam, which unfortunately was impacted by the pandemic and will be revisited in the post-pandemic quarters. MyPay's revamp included high specification business intelligence dashboards that allows on-demand analysis of user behaviour trends, technical issues and performance of the product on a whole, with the facility to share access permissions with government agencies for their consumption.

c) Coin Conversions

This project started as a proof of concept in October 2019 when DVSB initiated a series of meetings with Bank Negara Malaysia ("Bank Negara") on managing idle coins through its established product i.e. MyPay. Bank Negara recommended for DVSB to partner with its licensed coins agent and in 2020, DVSB eventually secured a partnership with SRT-Eon Sdn Bhd (licensed coins agent) and Hektar Property Services Sdn Bhd as well as MTrustee Berhad (owner and operator of the Subang Parade mall), for the coins collection arrangement. In April 2021, this Coin Conversions by MyPay Proof of Concept ("POC") is launched to test assumptions against user feedback; whether it is a viable business opportunity that meets the needs of all ecosystem parties.

DVSB is pleased to report that since the POC was first launched in April 2021, more than 9 million pieces of coin that worth almost RM 1.7 million were converted on Coin Conversions by MyPay. DVSB is looking into expanding this POC into different ventures, including project with merchants and additional coin collection locations, which were already acknowledged by Bank Negara.

d) MySMS

DVSB's flagship product that has been serving the Government of Malaysia for more than a decade received significant updates in 2021. The process started in March 2020, when DVSB was approached by the National Security Council to support the national contract tracing and subsequently COVID-19 vaccination programme nationwide via integrated messaging to every resident of Malaysia. This increased the load on the system tremendously which called for some of the most extensive updates to DVSB's capabilities since mySMS was first launched back in the late 2000s.

The result is a brand new mySMS system that is ready to support the global growth trends in application to person (A2P) messaging, which directly correlates to digitalisation and the need to e-KYC; think of the volume of one-time passwords we receive these days. mySMS will take position as DVSB's flagship communications product and will soon be complemented with emerging solutions that utilise instant messaging apps to deliver dynamic content to the Rakyat on behalf of government agencies.

OUTLOOK

Mobile technology is growing and evolving at an overwhelming pace. The rapid development of mobile and digital communications in Malaysia has led to high population coverage and penetration rates. The Government of Malaysia ("**Government**") has embraced the information technology ("**IT**") sector as a key driver for socio-economic growth. As such, the Government has identified several plans and programmes to drive further the sector and pave the way for the adoption and integration of IT solutions by enterprises across the nation. The IT sector is expected to gain greater momentum, driven by the convergence of industries and commercial activities due to digitalization.

During the times when there was imposition of various phases of Movement Control Orders ("**MCO**") by the Government in response to manage the spreading of COVID-19 has augured well for the reception by public and the eventual growth of e-payments. There had been increased subscriptions and transactions volume growth from individuals and business users who needed desperately the convenience of online payment while bank operations were cut down by a significant scale during MCO. Rakyat were reprimanded to remain indoors to comply with the MCO which inevitably caused disruptions to daily life.

In a media release issued recently on 1 October 2020, the Managing Director of DVSB, Amanda, cited that based on the week-on-week average growth rate of 15.7% in the eJamin bail collection, DVSB is upbeat on the prospect of capturing an estimated 80% of the RM2 billion to RM3 billion bail payment volume over the next year (2023) and to record an estimated RM1.6 billion bail collections per annum, calculated based on the estimated annual volume of RM2 billion bail payment. In 2021 alone, a total of RM121.50 million in bail collections were collected from January to December 2021.

Meanwhile, the jewel in PDB's B2C push in 2021 is DVSB's MyPay mobile app, a government digital service platform, which offers secured, easy and fast check-and-pay transactions with government agencies, among other features. MyPay is a smartphone app with a payment gateway built into it. The key areas of services that MyPay covers include information retrieval

and payment for driving licence expiry, polling station location for general elections, PTPTN, local councils and police summons, assessment and quit rent, and insolvency.

This report contains forward-looking statements. While every care has been taken in good faith to ensure that there are reasonable grounds as at the reporting date for those statements to be made, actual results may materially diverge from those statements whether positively or negatively.

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR/PERIOD ENDED		**December 2021$**	**June 2020&**	**June 2019&**	**June 2018***	**Dec 2016**
Revenue	(RM'000)	112,702	102,538	126,112	217,506	172,153
Continuing	(RM'000)	8,277	8,651	16,236	n.a.	n.a.
Discontinued	(RM'000)	104,425	93,887	109,876	n.a.	n.a.
Profit/(Loss) before taxation	(RM'000)	(8,603)	(1,590)	(72,421)	2,590	4,264
Continuing	(RM'000)	(27,389)	(825)	(1,011)	n.a.	n.a.
Discontinued	(RM'000)	18,786	(765)	(71,410)	n.a.	n.a.
Profit/(Loss) after taxation - Attributable to equity holders of the Company and Non-controlling interests	(RM'000)	(13,472)	2,073	(73,867)	122	2,033
Continuing	(RM'000)	(27,409)	(851)	(1,097)	n.a.	n.a.
Discontinued	(RM'000)	13,937	2,924	(72,770)	n.a.	n.a.
Earnings/(Expense) per share	(sen)				0.02	0.10
Continuing	(sen)	(6.12)	(0.23)	(0.28)	n.a.	n.a.
Discontinued	(sen)	3.22	0.73	(18.43)	n.a.	n.a.
Net assets (restated)	(RM'000)	122,277	127,740	106,134	182,251	223,474
Net assets per share (restated)	(sen)	28.22	32.01	26.88	46.15	11.32

KEY RATIOS

Return on equity #	(11.02%)	1.62%	(69.60%)	0.07%	0.91%
Return on assets @	(7.15%)	1.20%	(52.34%)	0.06%	0.87%
Debt to equity ^	6.54%	6.07%	n.a.	n.a.	n.a.

* *18-month statistics pursuant to the change of financial year end from 31 December 2017 to 30 June 2018 and thereafter on 30 June in the ensuing years.*

$ *18-month statistics pursuant to the change of financial year end from 30 June 2021 to 31 December 2021 and thereafter on 31 December in the ensuing years.*

& *The distinction between continuing and discontinued financial information is applicable to results for the financial years ended 30 June 2019,30 June 2020 and financial period ended 31 December 2021 due to Disposal of Be Top which has been completed up to tranche 2 as at 31 December 2021.*

Based on Net Profit attributable to Equity Holders expressed as a percentage of Total Equity attributable to Equity Holders
@ *Based on Net Profit attributable to Equity Holders expressed as a percentage of Total Assets*
^ *Based on Total Borrowings expressed as a percentage of Total Equity attributable to Equity Holders*

SUSTAINABILITY STATEMENT

PREFACE

The Sustainability Statement is drawn up in accordance with Sustainability Reporting Guide (2nd Edition) issued by Bursa Malaysia 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

This is currently underway with the execution of a few major visionary strategies, which are:

a) disposal of the production and sale of fabrics business in China *(currently completed up to the stage of tranche 2 as at the issuance date of this annual report)*
b) acquisition and expansion of the mobile and digital solutions businesses carried out by DVSB, an 80%-owned subsidiary of TAS
c) acquisition of suitable earnings-accretive businesses

- plans of acquiring the remaining stakes in DVSB from Heitech Padu Berhad ("**HTP**"), envisaged by the strategic management in accordance with the terms and conditions set out in the sale and purchase agreement signed between TAS and HTP.
- 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 has 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
- adherence to Guidance on occupational safety as per the Best Practices on Occupational Safety and Health in Construction Industry 2019 issued by the Department of Occupational Safety and Health, Ministry of Human Resources.

The Group has outlined a Corporate Social Responsibility ("**CSR**") Policy adopted by the Board, which are 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 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.

Requirements as prescribed in the following guidelines in relation to corporate governance aspects are referred to in enhancing the existing corporate governance structure of the Group:

i) Corporate Governance Guide (Fourth Edition) ("**CG Guide**") issued by Bursa bearing the title Rise Together
ii) Malaysian Code on Corporate Governance ("**MCCG**") issued by Securities Commission Malaysia ("**SC**")
iii) Corporate Governance Monitor issued by SC

In addition to this Corporate Governance Overview 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 website of Bursa Securities. The Reports are also accessible on the investor relation page of www.pertamadigital.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD FUNCTIONS AND RESPONSIBILITIES

The principal duties and responsibilities of Board are summarised as follows:

a) 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
b) exercise the duty of reasonable care, skill and diligence

The Company's Board Charter which was last reviewed by the Board on 27 April 2022 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 in PDB Group, 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 Statement.

NOMINATING COMMITTEE
The NC is delegated with the responsibility of talent management for the Group. NC comprises solely of independent non-executive directors.

CHAIRMAN	
Low Yan Seong	Independent Non-Executive Director
MEMBER	
Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Chairman

PRINCIPAL RESPONSIBILITIES OF NC

a) Matters relating to the nomination of Board members, members of Board Committees, Company Secretary and senior management
b) Review annually the term of office and performance of the AC and its members
c) Annual assessment of the Board, its members, composition and effectiveness

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.

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 recommendation 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.

SUMMARY OF ACTIVITIES OF THE NC

Below are activities carried out by the NC during the financial period ended 31 December 2021:

a) Review of the proposed appointment of Encik Sabri and Dato' Dr. Suhazimah as directors of the Company and made recommendation to the Board for approval of the appointment
b) Review of the mix of skill and experience and other qualities of the Board
c) Annual assessment of the Board performance and effectiveness
d) Annual assessment of the independence of Independent Directors
e) 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
b) all the independent directors have given a written confirmation to the Board confirming their independence
c) 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 eight (8) Board meetings held during the financial period ended 31 December 2021.

The summary of attendance of each Director is as follows:

Directors	Number of Meetings Attended
Datuk Dr. Kenny Ng Bee Ken	8/8
Pan Ding	8/8
Sabri Ab Rahman *(Appointed on 11 November 2020)*	6/6 (full attendance)
Tun Dato' Seri Zaki Bin Tun Azmi	8/8
Pan Dong	4/8
Low Yan Seong	8/8
Wan Kamarul Zaman Bin Wan Yaacob	8/8
Dato' Dr. Suhazimah Binti Dzazali *(Appointed on 11 November 2020)*	5/6
Wong Yoke Nyen *(Appointed after the financial period ended 31 December 2021)*	-
Abel Goon Chun Hoe *(Appointed after the financial period ended 31 December 2021)*	-

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 situation, 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 TO BOARD MEETINGS

The Board invites management staff and auditors, when necessary, to attend Board meetings 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 complete.

BOARD INDEPENDENCE AND EFFECTIVENESS

Board independence is essential in promoting Board effectiveness as an effective Board requires adequate check and balance mechanisms to assess strategic plans tabled by executive directors to the Board.

BOARD INDEPENDENCE

The roles of independent non-executive Chairman and Group MD are held by separate individuals, with clear division of responsibilities and authorities. With the recent appointment of two (2) additional Independent Non-Executive Directors in line with the Company's plan to have a diversity on the Board, the Board is made up of three (3) executive and seven (7) independent non-executive directors as at the issuance date of this annual report. This is an effective Board structure that ensure 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:

Independent directors play the following roles in fulfilling their responsibilities to achieve Board effectiveness:

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 independent non-executive Chairman

The independent 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 seasoned practicing lawyer with extensive exposure in the corporate law advisory works. The Group has upheld its stance of having an independent non-executive Chairman to lead the Board to ensure balance of power and authority. The independent non-executive Chairman is responsible for the orderly conduct of the Board while the Group MD and his fellow executive directors are 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 period ended 31 December 2021. 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.

NON-EXECUTIVE DIRECTORS' TENURE OF SERVICE

Under the MCCG (updated as at 28 April 2021), if the Board intends to retain an independent director who serves the Board for a cumulative term of more than nine (9) years ("**Term**"), it should provide justification and seek annual shareholders' approval through a single tier voting process.

LONG SERVICE INDEPENDENT DIRECTORS

As at the date of this annual report, the following three (3) independent directors of the Company have served on the Board for more than nine (9) consecutive years. Their names and length of services are as follows:

a) Datuk Dr. Kenny, the Independent Non-Executive Chairman, Chairman of the Audit Committee and a member of both Nominating and Remuneration Committees, was appointed to the Board on 27 January 2006 and has served the Company for a cumulative term of sixteen (16) years.

b) Mr. Low, Independent Non-Executive Director, Chairman of the Nominating Committee and member of both Audit and Remuneration Committees, was appointed to the Board on 28 June 2010 and has served the Company for a cumulative term of eleven (11) years.

c) Encik Wan, Independent Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit Committee, was appointed to the Board on 28 June 2010 and has served the Company for a cumulative term of eleven (11) years.

The Board has carefully reviewed and assessed the independence of all three (3) independent directors. The Board concluded that their length of service does not in any way jeopardize the exercise of their independent judgement and capability to act in the best interest of the Company. However, as recommended by the MCCG the retention of Datuk Dr. Kenny, Mr. Low and Encik Wan will be tabled for shareholders' annual approval through a single tier voting process at the forthcoming AGM.

The Company will seek shareholders' approval to retain them as independent directors based on the following justifications:
a) they fulfil the criteria under the definition of Independent Director as stated in the MMLR
b) all of them are seasoned professionals and the length of service on Board does not in any way jeopardize their independence

POLICIES
Company policies established and reviewed by Group Corporate Services 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.

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
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 background, including seasoned entrepreneurs, ex Chief Justice, corporate law practitioners, corporate finance professional with accounting and auditing exposure as well as ICT specialist. The Board presently comprises three (3) executive directors and seven (7) 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:

Director	Designation
Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Chairman
Tun Dato' Seri Zaki Bin Tun Azmi	Independent Non-Executive Director
Sabri Bin Ab Rahman	Executive Director
Pan Ding	Group Managing Director / Executive Director
Pan Dong	Executive Director
Dato' Dr. Suhazimah Binti Dzazali	Independent Non-Executive Director
Low Yan Seong	Independent Non-Executive Director
Wan Kamarul Zaman Bin Wan Yaacob	Independent Non-Executive Director
Wong Yoke Nyen	Independent Non-Executive Director
Abel Goon Chun Hoe	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 5 to 9 of this Annual Report.

ANNUAL ASSESSMENT OF BOARD MEMBERS (SELF EVALUATION) AND ASSESSMENT ON PERFORMANCE OF BOARD COMMITTEES

During the financial period ended 31 December 2021, 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, PDB has outlined a policy to facilitate procedures for the annual independence assessment of the Group's Independent Directors. The assessment on independent directors for the current financial period ended 31 December 2021 has been duly completed.

DIRECTORS' 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.

DIRECTORS' 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 PDB complied with the requirement to attend training programmes during the financial period ended 31 December 2021.

Director	Training Programme/(s) Attended
Pan Ding	The Development of Carbon Trade and Carbon Finance in China and at Abroad
Pan Dong	The Five-Year Plan of Textile Industry Development in China
Sabri Bin Ab Rahman	The Mandatory Accreditation Programme for Directors of Listed Companies
Datuk Dr. Kenny Ng Bee Ken	Assessing Audit Risks (In the New Norm)
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 e) The COVID-19 Asian Mediation Forum
Low Yan Seong	a) Corporate Exercises Mastery b) Closing 2021 Towards 2022
Wan Kamarul Zaman Bin Wan Yaacob	a) How 5G is Going to Change the World b) COVID-19 Pandemic: Black Swan Theory and Butterfly Effect on World Economy c) Digital Leadership for Sustainable Business in Industry 4.0 d) Get Ready for the Current Global Financial Crisis
Dato' Dr. Suhazimah Binti Dzazali	The Mandatory Accreditation Programme for Directors of Listed Companies

Wong Yoke Nyen	a) Digital Leadership for Sustainable Business in Industry 4.0 b) General Understanding of the Section 17A, MACC Act 2009 c) Financial Institution Directors' Educations ("**FIDE**") Core Programme Module A - Banks d) FIDE Core Programme Module B – Banks
Abel Goon Chun Hoe	a) Capital Market Director Programme for Fund Management b) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), Personal Data Protection Act (PDPA), Cyber Security and Anti-Corruption and Bribery & Integrity (Code of Ethics) c) Enterprise Risk Management – Cutting Through Complexity

GENDER DIVERSITY POLICY AND TARGET

The Company supports the notion that the Board should see some diversity not only on professional specialization of directors and senior management but also their gender. The Company reckons that female directors and senior management will be given an equitable chance if their qualification and professional skills meet the requirements of the Company.

During the financial period, a female director has been appointed.

DIRECTORS' 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 recognizes that for an 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

Wan Kamarul Zaman Bin Wan Yaacob	Independent Non-Executive Director

MEMBERS

Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Chairman
Low Yan Seong	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 18-month financial period ended 31 December 2021 is tabulated as follows:

Received from the Group

Executive Directors	Salaries	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Pan Ding	717,408	12,000	12,942	742,350
Pan Dong	698,400	8,000	12,942	719,342
Sabri Bin Ab Rahman	758,333	7,000	27,567	792,900
	2,174,141	27,000	53,451	2,254,592

Independent Non-Executive Directors	Fee	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Datuk Dr. Kenny Ng Bee Ken	90,000	14,000	-	104,000
Tun Dato' Seri Zaki Bin Tun Azmi	54,000	11,000	-	65,000
Low Yan Seong	54,000	14,000	-	68,000
Wan Kamarul Zaman Bin Wan Yaacob	54,000	14,000	-	68,000
Dato' Dr. Suhazimah Binti Dzazali	41,000	6,000	-	47,000
	293,000	59,000	-	352,000
Grand total	**2,467,141**	**86,000**	**53,451**	**2,606,592**

Received from the Company

Executive Directors	Salaries	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Pan Ding	-	-	-	-
Pan Dong	-	-	-	-
Sabri Bin Ab Rahman	-	7,000	-	7,000
	-	7,000	-	7,000

Independent Non-Executive Directors	Fee	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Datuk Dr. Kenny Ng Bee Ken	90,000	14,000	-	104,000
Tun Dato' Seri Zaki Bin Tun Azmi	54,000	11,000	-	65,000
Low Yan Seong	54,000	14,000	-	68,000
Wan Kamarul Zaman Bin Wan Yaacob	54,000	14,000	-	68,000
Dato' Dr. Suhazimah Binti Dzazali	-	6,000	-	6,000
	252,000	59,000	-	311,000
Grand total	**252,000**	**66,000**	**-**	**318,000**

REMUNERATION OF TOP MANAGEMENT

Received from the Group

	Salaries	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Pan Ding, Group Managing Director/Executive Director	717,408	12,000	12,942	742,350
Pan Dong, Executive Director	698,400	8,000	12,942	719,342
Sabri Bin Ab Rahman, Executive Director	758,333	7,000	27,567	792,900
	2,174,141	27,000	53,451	2,254,592

Received from the Company

	Salaries	Allowances	Defined Contribution	Total
	RM	RM	RM	RM
Pan Ding, Group Managing Director/Executive Director	-	-	-	-
Pan Dong, Executive Director	-	-	-	-
Sabri Bin Ab Rahman, Executive Director	-	7,000	-	7,000
	-	7,000	-	7,000

Grand total

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The AC is responsible in 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 Audit Committee can be found on the Terms of Reference on the Company's website 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 41 to 44 of this Annual Report.

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

INTERGRITY IN CORPORATE REPORTING

Corporate reporting of the Company primarily comprises of 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 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 relationship with various stakeholders and some in particular with shareholders. It uses various channels to promote and enhance shareholders and/or stakeholders communication. PDB established a Statement on Shareholders' Rights ("**Statement**") which clearly spell 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, 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 27 April 2022.

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 143 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 period ended 31 December 2021 are RM96,000 and RM423,000.

NON-AUDIT FEE

The amount of non-audit fee incurred by the Company during the financial period ended 31 December 2021 is RM8,450. The non-audit fees incurred is for the review of Statement on Risk management and Internal Control. There was no non-audit fee incurred by the subsidiaries.

UTILISATION OF PROCEEDS

The total proceeds amounting to RM33.515 million, raised from Disposal of Be Top, being the aggregate of RM3 million bidding bond, first cash payment of RM12 million and second cash payment of RM18.515 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 GIL on 2 May 2019 to dispose the entire equity interest in its wholly-owned subsidiary Be Top for a total cash consideration of RM70 million. Mr Pan Ding, the 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 RM18.515 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.

RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction that need 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.

Company No. 198401002327 (114842-H)
(Incorporated in Malaysia)

AUDIT COMMITTEE REPORT

1) COMPOSITION

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

CHAIRMAN

Datuk Dr. Kenny Ng Bee Ken	Independent Non-Executive Chairman

MEMBERS

Low Yan Seong	Independent Non-Executive Director
Wan Kamarul Zaman Bin Wan Yaacob	Independent Non-Executive Director

2) MEETINGS

Nine (9) meetings were held during the financial period ended 31 December 2021. The summary of attendance of each member is as follows:

Members	Number of Meetings Attended
Datuk Dr. Kenny Ng Bee Ken	9/9
Low Yan Seong	9/9
Wan Kamarul Zaman Bin Wan Yaacob	9/9

AC meetings ("**ACM**") are held for the AC members to review and deliberate matters under the AC's purview. In 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 period ended 31 December 2021.

3) SUMMARY OF WORK DONE BY THE COMMITTEE

The following works had been carried out by the Committee during the financial period ended 31 December 2021:

i) Reviewed the quarterly unaudited financial results and related announcements and recommended the same to the Board of Directors ("**Board**") for consideration and approval.

ii) Reviewed and approved the Group's financial statements for the financial year ended 30 June 2020.

iii) 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 for the financial period ended 31 December 2021.

iv) Conducted private discussion sessions with the external auditors, without the presence of executive directors and management.

v) Reviewed the Statement on Risk Management and Internal Control before recommending to the Board for approval for insertion into the Company's Annual Report.

vi) Reviewed the annual audited financial statements of the Group with the external auditors prior to the presentation to the Board for approval.

vii) Reviewed on quarterly basis the summary of related party transactions, trade receivables and ageing analysis of the Group.

viii) Reported to the Board on matters discussed and addressed at meetings of the Committee.

ix) Reviewed and discussed with the external auditors on significant issues noted in the course of their audit of the Group.

x) Reviewed the audit fee proposal and recommended to the Board for approval of the audit fees.

4) 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 period, OAC Consulting Sdn. Bhd. (“**OAC**”) was the appointed e outsourced internal auditor to review the Anti-Bribery and Corruption Framework of the Group via completing a GAP analysis on the adequate procedures by the Malaysian government.

OAC concluded that currently PDB has an Anti-bribery and Corruption framework that has been endorsed by the Board. Nonetheless, there are areas that gap present that need to be looked into progressively to ensure a more comprehensive overall policy framework is established.

The current financial period internal audit fee incurred by the Group is RM9,000.

Company No. 198401002327 (114842-H)
(Incorporated in Malaysia)

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 Berhad 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 period ended 31 December 2021.

THE GOVERNING LAWS AND REGULATIONS

MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG") AND CORPORATE GOVERNANCE GUIDE – FOURTH EDITION ISSUED IN 2021 ("CG GUIDE")

The MCCG and CG Guide require that Board of Directors of listed issuers to 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 in 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 able to produce reports to alert the management on any potential breach of risk tolerance level).

After the initial stage of designing and implementing of 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 factors that exist in the Overall Operating Environment. Subsequent to performing evaluation and assessment of risk factors identified, the management team, after due discussion and with approval from executive director, will device 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 director 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 period, the management team adhered to the same procedures adopted in the previous financial periods. 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 system and mechanisms put in place. IA will make enhancement recommendations for the management and Board to consider.

In the current financial period, there was an analysis review exercise ("**Analysis Exercise**") performed on the Group's Anti-Bribery & Corruption framework ("**Framework**"), to establish whether or not the Group can fully demonstrate clear, sound and established policies and procedures that deter individuals (inside and outside of the Group) from partaking in questionable or corrupt conduct. This is pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Analysis 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 financial period of 2022.

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 are currently being 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, resulted 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 of the effectiveness of controls that are capable of mitigating such risks.

Heads of Departments are usually responsible to identify risks that may have 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
- Risks that have the potential impact on the success and continuity of the business
- Risks that may affect the reputation that of the Company and the Group as a whole
- Risk pertaining to public liability matters and how to mitigate such risks

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.

(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 effect 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 is 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 from time to time by the management to assess its effectiveness in meeting the risk mitigation/prevention objectives. The Group's policies will be continuously reviewed and updated when situation warrants, the updating shall be relevant to the prevailing condition (when the review is being 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

(iv) Establishment of internal policies (including Code of Business Conduct, Whistle Blowing Policy and Anti-Corruption Policy) to govern and guide the employees within the respective areas of subject matters for effective internal control system (governance) which may have impact on the Group's governance compliance and performance.

7. 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 period under review and up to the approval of this statement for inclusion in the annual report. The Board has also received a written assurance from the Executive Director that the risk management practices and policies currently in place to identify and manage the main business risks are prudent and remain relevant, and that these practices and policies effectively support the Group's broader enterprise risk management efforts.

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 6 May 2022.

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, UOA Business Park No 1, Jalan Pengaturcara U1/51A Seksyen U1 40150 Shah Alam Selangor

DIRECTORS' REPORT
FOR THE PERIOD FROM 1 JULY 2020 TO 31 DECEMBER 2021

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 July 2020 to 31 December 2021.

CHANGE OF FINANCIAL YEAR END

On 23 February 2021, the Company changed its financial year end from 30 June to 31 December to streamline with the financial year end of the operating subsidiary. The current audited financial statements of the Company are for a period of eighteen (18) months, made up from 1 July 2020 to 31 December 2021. Thereafter, the subsequent financial years of the Company shall end on 31 December. The comparatives are for the financial year from 1 July 2019 to 30 June 2020.

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 period.

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial period:		
- continuing operations	(27,409)	(13,411)
- discontinued operations	13,937	-
	(13,472)	(13,411)
Loss for the financial period attributable to:		
Owners of the Company	(12,573)	(13,411)
Non-controlling interests	(899)	-
	(13,472)	(13,411)

DIVIDEND

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

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company reduced its issued share capital from RM134,816,000 to RM48,816,000 pursuant to Section 117 of the Companies Act 2016. The credit of RM86,000,000 arising from the Share Capital Reduction was used to eliminate the accumulated losses of the Company.

There was no issuance of shares and debentures during the financial period.

SHARE OPTIONS

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

RESERVES AND PROVISIONS

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

HOLDING COMPANY

The holding company is Gifted Investments Limited ("GIL"), a company incorporated in the British Virgin Islands.

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 period in which this report is made.

At the end of the financial period, 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 period to the date of this report are:

Pan Ding	
Datuk Ng Bee Ken	
Low Yan Seong	
Pan Dong	
Wan Kamarul Zaman bin Wan Yaacob	
Tun Dato' Seri Zaki bin Tun Azmi	
Sabri bin Abd Rahman	(appointed on 11 November 2020)
Dato Dr Suhazimah binti Dzazali	(appointed on 11 November 2020)
Wong Yoke Nyen	(appointed on 4 April 2022)
Abel Goon Chun Hoe	(appointed on 4 April 2022)

LIST OF DIRECTORS OF SUBSIDIARIES

The directors (excluding directors who are also directors of the Company) in office of the subsidiaries during the period commencing from the beginning of the financial period to the date of this report are:

Ahmad Jefri bin Rashid	
Khairul Amanda binti Sabri	(appointed on 17 September 2021)
Norwati binti Abd Razak	(resigned on 17 September 2021)
Azad Abdullah Tan Chien Liang	(resigned on 17 September 2021)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1.7.2020	Acquisition	Disposal	At 31.12.2021
The Company				
Sabri bin Abd Rahman				
- *direct interest*	-	53,461,538	(2,601,100)	50,860,438
- *indirect interest*	-	115,000,000	(45,000,000)	70,000,000[&]
Pan Ding[*]				
- *indirect interest*	225,125,000	-	(115,000,000)	110,125,000
Tun Dato' Seri Zaki Bin Tun Azmi [#]				
- *indirect interest*	20,230,000	130,000	(15,500,000)	4,860,000

* *Deemed interest by virtue of his direct shareholdings in Gifted Investments Limited ("GIL")*

\# *Deemed interest by virtue of his spouse's shareholdings in the Company*

& *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, Pan Ding 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 period held any interests in shares in the Company during the financial period.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial period 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.

DIRECTORS' BENEFITS (CONT'D)

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 emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company or of related corporation as shown in note 25 to the financial statements) 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 except for those disclosed in note 26 to the financial statements.

OTHER INFORMATION

Before the financial statements 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 there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; 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 it necessary to write off any debt or render the amount of the 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 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 period 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 period.

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

OTHER INFORMATION (CONT'D)

At the date of this report, the directors are not aware of any circumstances 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 respective financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature other than impairment losses recognised in current financial period as disclosed in note 7 and note 9 to the financial statements; and

(ii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

EVENTS OCCURRED DURING AND AFTER THE REPORTING PERIOD

Events occurred during and after the reporting period are disclosed in note 33 to the financial statements.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims by third parties arising from the audit. No payment has been made to indemnify the auditors for the current financial period.

Auditors' remuneration is set out in note 21 to the financial statements.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

SABRI BIN AB RAHMAN Director	DATUK NG BEE KEN Director

6 May 2022

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
PERTAMA DIGITAL BERHAD
Registration No.: 198401002327 (114842-H)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pertama Digital Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of total comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 July 2020 to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 142.

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 31 December 2021, and of their financial performance and their cash flows for the financial period from 1 July 2020 to 31 December 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) Group

Impairment review of goodwill

Refer to "*Significant Accounting Judgements and Estimations*" and "*Goodwill*" in note 4 and note 9 to the financial statements respectively.

The risk:

As at the balance sheet date, the Group reported a net carrying amount of RM4,110,000 for goodwill. The amount arose from the acquisition of subsidiaries amounting to RM24,462,000, following an impairment loss of RM20,352,000 recognised in the current financial period.

The Group is required to test goodwill for impairment annually, which involves comparing cash-generating unit's ("CGU") value in use with its carrying amount. Management assessed the value in use based on the approved cash flow projections and business plans and applied a suitable discount rate to calculate the net present value of those estimated cash flows. There are number of underlying assumptions used to determine the value in use, including the revenue growth and discount rate applied on the net cash flows. The estimated value in use may vary when the underlying assumptions are changed and the changes in above assumptions may result in change to amount for impairment of goodwill.

This is identified to be a key audit matter as the assessment process is inherently subjective and it is based on estimation involving assumptions applied by management, including both from internal and external sources.

Our response:

In addressing the risk, we performed, amongst others, the following procedures:

- Obtained an understanding of management's internal process for goodwill annual impairment assessment.
- Evaluated and challenged the reasonableness of key assumptions used by management in the cash flow projections, including reviewing the appropriateness of the input data in deriving the discount rate with the involvement of our valuation experts.
- Performed sensitivity analysis to test the reasonable possible changes to the key assumptions in the cash flow projections.

Recoverability of trade receivables and contract assets

Refer to "Significant Accounting Judgements and Estimations", "*Trade Receivables", "Contract Assets"* in note 4, 10, 11 and 14 to the financial statements respectively and further information on the "Credit Risk Management" in note 28(a) to the financial statements.

The risk:

As at 31 December 2021, the Group's trade receivables and contract assets amounted to RM21,856,000 (both continuing and discontinued operations) and RM2,178,000 respectively.

Management assessed the expected credit loss of trade receivables and contract assets in accordance with the Group's accounting policy. The Group applies simplified approach (i.e. lifetime expected credit loss) in measuring the loss allowance, if any, for trade receivables and contract assets. Accordingly, provision matrix was used to estimate the expected credit losses ("ECL") taking into account historical payment trend, assessment of customers' ability to pay the outstanding balances and where appropriate, adjusted with forward-looking information.

This is identified to be a key audit matter as it requires management to make significant estimation in the assessment of ECL at the reporting date.

Our response:

In addressing the risk, we performed, amongst others, the following procedures:

- Obtained understanding of management's internal process in assessing the recoverability of trade receivables and contract assets.
- Tested the accuracy of trade receivables aging at the end of financial period on sampling basis.
- Assessed the reasonableness of key bases and assumptions used by management in the estimation of ECL.
- Reviewed billing of contract assets and collection of trade receivables subsequent to the end of the financial period.

(b) Company

We do not have any key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 judgement and maintain professional scepticism throughout the audit. We also:

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 7 to the financial statements.

Other Matters

The 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.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

RAJVINDERJIT SINGH A/L SAVINDER SINGH
03400/11/2022 J
Chartered Accountant

Kuala Lumpur

6 May 2022

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 31.12.2021 RM'000	Group 30.6.2020 RM'000 (Restated)	Company 31.12.2021 RM'000	Company 30.6.2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	151	-	-	-
Development costs	6	2,397	-	-	-
Investments in subsidiaries	7	-	-	12,559	19,096
Investments in joint ventures	8	-	13,988	-	-
Goodwill	9	4,110	15,113	-	-
		6,658	29,101	12,559	19,096
CURRENT ASSETS					
Trade receivables	10	327	15,666	-	-
Contract assets	11	2,178	3,565	-	-
Other receivables, deposits and prepayments	12	134	938	9,890	62
Fixed deposits with licensed banks	13	14,315	-	14,315	-
Cash and bank balances	13	7,042	8	2,345	103
		23,996	20,177	26,550	165
Assets classified as held for sale	14	157,833	123,531	70,000	70,000
		181,829	143,708	96,550	70,165
TOTAL ASSETS		188,487	172,809	109,109	89,261

	Note	Group 31.12.2021 RM'000	Group 30.6.2020 RM'000 (Restated)	Company 31.12.2021 RM'000	Company 30.6.2020 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	48,816	134,816	48,816	134,816
Reserves	16	22,779	(50,648)	(16,521)	(89,110)
		71,595	84,168	32,295	45,706
Reserves classified as held for sale	14	55,755	40,420	-	-
Equity attributable to owners of the Company		127,350	124,588	32,295	45,706
Non-controlling interests		(5,073)	3,152	-	-
TOTAL EQUITY		122,277	127,740	32,295	45,706
CURRENT LIABILITIES					
Trade payables	17	2,096	18,723	-	-
Other payables and accruals	18	39,379	6,837	76,814	43,555
Bank borrowing	19	8,000	7,750	-	-
		49,475	33,310	76,814	43,555
Liabilities classified as held for sale	14	16,735	11,759	-	-
TOTAL LIABILITIES		66,210	45,069	76,814	43,555
TOTAL EQUITY AND LIABILITIES		188,487	172,809	109,109	89,261

The accompanying notes form an integral part of the financial statements

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
(With comparative figure for the period of 1 July 2019 to 30 June 2020)

		Group		Company	
	Note	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Continuing operations					
Revenue	20	8,277	8,651	480	42
Cost of sales		(6,873)	(8,317)	-	-
Gross profit		1,404	334	480	42
Other income		1,326	259	740	1,348
Selling and distribution expenses		(255)	-	-	-
Administrative and general expenses		(7,571)	(950)	(5,041)	(734)
Other expenses		(21,260)	(356)	(9,590)	(1,865)
Finance costs		(588)	(3)	-	-
Share of results of a joint venture		(445)	(109)	-	-
Loss before tax	21	(27,389)	(825)	(13,411)	(1,209)
Taxation	22	(20)	(26)	-	-
Loss for the financial period/year		(27,409)	(851)	(13,411)	(1,209)
Discontinued operations					
Profit for the financial period/year	23	13,937	2,924	-	-
Total (loss)/profit for the financial period/year		(13,472)	2,073	(13,411)	(1,209)
Other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss					
Foreign currency translation differences		15,335	82	-	-
Total comprehensive profit/(loss) for the financial period/year		1,863	2,155	(13,411)	(1,209)

	Note	Group 1.7.2020 to 31.12.2021 RM'000	Group 1.7.2019 to 30.6.2020 RM'000	Company 1.7.2020 to 31.12.2021 RM'000	Company 1.7.2019 to 30.6.2020 RM'000
Total (loss)/profit for the financial period/year attributable to:					
Owners of the Company		(12,573)	2,026	(13,411)	(1,209)
Non-controlling interests		(899)	47	-	-
		(13,472)	2,073	(13,411)	(1,209)
Total comprehensive income/ (loss) for the financial period/year attributable to:					
Owners of the Company		2,762	2,108	(13,411)	(1,209)
Non-controlling interests		(899)	47	-	-
		1,863	2,155	(13,411)	(1,209)
(Loss)/Earnings per share (sen)	24				
Basic:					
- continuing operations		(6.12)	(0.23)		
- discontinued operations		3.22	0.73		
Diluted:					
- continuing operations		(6.12)	(0.23)		
- discontinued operations		3.22	0.73		

The accompanying notes form an integral part of the financial statements

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
(With comparative figure for the period of 1 July 2019 to 30 June 2020)

		<---- *Attributable to Owners of the Company*						
		<---- *Non-Distributable* ---->			*Distributable*			
Group	Note	Share capital RM'000	Statutory reserves RM'000	Reserves classified as held for sale RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2019		118,470	15,697	40,338	(68,371)	106,134	-	106,134
Acquisition of a subsidiary, as previously stated	7	16,346	-	-	-	16,346	3,381	19,727
Remeasurement from purchase price purchase exercise	7(c)	-	-	-	-	-	(276)	(276)
Profit for the financial year		-	-	-	2,026	2,026	47	2,073
Other comprehensive income for the financial year								
- Foreign currency translation differences		-	-	82	-	82	-	82
Total comprehensive income for the financial year		-	-	82	2,026	2,108	47	2,155
Transfer to statutory reserves	16	-	236	-	(236)	-	-	-
At 30 June 2020, as restated		134,816	15,933	40,420	(66,581)	124,588	3,152	127,740
Acquisition of a subsidiary	7	-	-	-	-	-	(7,326)	(7,326)
Share capital reduction	15	(86,000)	-	-	86,000	-	-	-
Loss for the financial period		-	-	-	(12,573)	(12,573)	(899)	(13,472)
Other comprehensive income for the financial period								
- Foreign currency translation differences		-	-	15,335	-	15,335	-	15,335
Total comprehensive income/(loss) for the financial period		-	-	15,335	(12,573)	2,762	(899)	1,863
Transfer to statutory reserves	16	-	2,009	-	(2,009)	-	-	-
At 31 December 2021		48,816	17,942	55,755	4,837	127,350	(5,073)	122,277

Company	Note	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 July 2019		118,470	(87,901)	30,569
Issuance of shares	15	16,346	-	16,346
Loss and total comprehensive loss for the financial year		-	(1,209)	(1,209)
At 30 June 2020		134,816	(89,110)	45,706
Share capital reduction	15	(86,000)	86,000	-
Loss and total comprehensive loss for the financial period		-	(13,411)	(13,411)
At 31 December 2021		48,816	(16,521)	32,295

The accompanying notes form an integral part of the financial statements

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
(With comparative figure for the period of 1 July 2019 to 30 June 2020)

	Note	Group 1.7.2020 to 31.12.2021 RM'000	Group 1.7.2019 to 30.6.2020 RM'000 (Restated)	Company 1.7.2020 to 31.12.2021 RM'000	Company 1.7.2019 to 30.6.2020 RM'000
OPERATING ACTIVITIES					
Loss before tax					
- continuing operations		(27,389)	(825)	(13,411)	(1,209)
- discontinued operations		18,786	(765)	-	-
Adjustments for:					
Amortisation of development costs		219	-	-	-
Depreciation of property, plant and equipment		16	-	-	-
Dividend income		(3,161)	-	-	-
Impairment loss on goodwill		20,352	-	-	-
Impairment loss on investments in subsidiaries		-	-	5,787	-
Interest expense		588	3	-	-
Interest income		(6,388)	(2,002)	(480)	(42)
Inventories written (back)/down, net		(1,088)	2,054	-	-
Loss allowance on trade receivables		188	1,953	-	-
Loss on re-measurement to fair value less costs to sell		5,018	823	-	-
Loss on disposal of a subsidiary		862	-	620	-
Loss on disposal of property, plant and equipment		685	-	-	-
Net unrealised loss on foreign exchange		-	394	3,183	198
Property, plant and equipment written off		767	144	-	-
Share of results of joint ventures		(478)	(2,064)	-	-
Waiver of debts from a former subsidiary		-	-	(740)	-
Waiver of debts from a director		(64)	-	-	-
Operating profit/(loss) before working capital changes		8,913	(285)	(5,041)	(1,053)
Changes in inventories		4,424	1,207	-	-
Changes in receivables		(1,081)	16,998	(9,534)	(273)
Changes in payables		3,433	2,557	301	278
Cash generated from/(used in) operations		15,689	20,477	(14,274)	(1,048)
Interest received		320	171	186	42
Tax paid, net		(1,107)	(2,274)	-	-
Net cash generated from/(used in) operating activities		14,902	18,374	(14,088)	(1,006)

	Note	Group 1.7.2020 to 31.12.2021 RM'000	Group 1.7.2019 to 30.6.2020 RM'000 (Restated)	Company 1.7.2020 to 31.12.2021 RM'000	Company 1.7.2019 to 30.6.2020 RM'000
INVESTING ACTIVITIES					
Acquisition of a joint venture		-	(11,575)	-	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired		(5,595)	(1,090)	-	(1,000)
Addition of development costs		(245)	-	-	-
Acquisition of other investment		(4,942)	-	-	-
Acquisition of property, plant and equipment					
- continuing operations		(130)	-	-	-
- discontinued operations		(1,183)	(601)		
Acquisition of short-term investments, net		(22,176)	(18,547)	-	-
Consideration received for disposal of subsidiaries held for sale		30,515	-	30,515	-
Interest received		6,068	1,831	-	-
Uplift/(placement) of fixed deposits, net		760	(5)	-	-
Proceeds from disposal property, plant and equipment		529	-	-	-
Proceeds from disposal of a subsidiary, net of cash and cash equivalents disposed of		121	-	130	-
Dividend income received from a joint venture		3,161	-	-	-
Net cash generated from/(used in) investing activities		6,883	(29,987)	30,645	(1,000)
FINANCING ACTIVITIES					
Increase in pledged deposit		(8,000)	-	(8,000)	-
Drawdowns of bank borrowing		250	7,750	-	-
Interest paid		(588)	(3)	-	-
Net cash (used in)/generated from financing activities		(8,338)	7,747	(8,000)	-
NET CHANGES IN CASH AND CASH EQUIVALENTS		13,447	(3,866)	8,557	(2,006)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		13,437	16,756	103	2,109
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS		98	547	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	13	26,982	13,437	8,660	103

The accompanying notes form an integral part of the financial statements

1. GENERAL INFORMATION

Pertama Digital Berhad is a public company limited by way of shares and is incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 1.

The holding company is Gifted Investments Limited ("GIL"), a company incorporated in the British Virgin Islands.

The consolidated financial statements of the Company as at 31 December 2021 and for the financial period from 1 July 2020 to 31 December 2021 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in joint venture.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in note 7. There have been no significant changes in the nature of these activities during the financial period.

2. BASIS OF PREPARATION

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

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies which are set out in note 3.

Application of new amendments

In the current financial period, the Group and the Company have applied a number of new amendments that became effective mandatorily for the financial periods beginning on or after 1 July 2020. The adoption of the new amendments did not have significant impact on the disclosures or on the amounts reported in the financial statements.

2. BASIS OF PREPARATION (CONT'D)

Amendments and new standard issued that are not yet effective

The Group and the Company have not applied the following amendments and new standard that have been issued by the MASB, which may be relevant to the Group and the Company, but not yet effective:

		Effective Date
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 16	Covid-19 – Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
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
MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative	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	To be announced by MASB

The adoption of the above amendments and new standard are not expected to have significant impact on the financial position and financial performance of the Group and of the Company upon their initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of consolidation

Subsidiaries are entities (including structured entities, if any) controlled by the Group. 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

(a) Business combinations

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination achieved in stages.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Basis of consolidation (cont'd)

(a) Business combinations (cont'd)

If, after reassessment, a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

Measurement period adjustments are adjustments that arise from additional information obtained during twelve months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

When the reverse acquisition accounting is used, the difference between the nominal value of accounting acquiree and the Company and the par value of the enlarged issued and paid-up share capital of the Company after the acquisition of the business is treated as a reverse acquisition reserve. The reverse acquisition reserve is adjusted against suitable reserves of the accounting acquiree to the extent that laws or statues do not prohibit the use of such reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Basis of consolidation (cont'd)

(b) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Functional and foreign currencies

(a) Foreign currency transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(b) Foreign operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in joint ventures that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in joint ventures that includes a foreign operation while retaining joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

(iii) Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt instruments

(i) Amortised cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Financial instruments (cont'd)

(a) Financial assets (cont'd)

Debt instruments (cont'd)

(i) Amortised cost (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair value through profit or loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Financial instruments (cont'd)

(a) Financial assets (cont'd)

Equity instruments (cont'd)

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability is recognised directly in other comprehensive income and is not subsequently reclassified to profit or loss upon the derecogntion of the financial liability.

(ii) Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Financial instruments (cont'd)

(d) Statutory reserve

The Company's subsidiary in the People's Republic of China ("PRC") is required to maintain certain statutory reserves by appropriating from profit after taxation in accordance with the relevant laws and regulations in the PRC and articles of association of the subsidiary before declaration or payment of dividends. The reserves form part of the equity of the Group. The statutory reserve fund can be used to increase the registered capital and eliminate future losses of the subsidiary, but it cannot be distributed to shareholders, except in the event of a solvent liquidation of the subsidiary.

The appropriation to the statutory surplus reserve represents 10 percent of the profit after taxation of each individual PRC subsidiary. In accordance with the laws and regulations in the PRC, the appropriations to statutory reserve cease when the balances of the reserve reach 50 percent of the registered capital of the subsidiary. The statutory reserve is not distributable by way of dividends.

(e) Financial guarantee contracts

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

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

(f) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Financial instruments (cont'd)

(f) Derecognition (cont'd)

In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Investments in subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(v) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

(a) Joint ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Joint arrangements (cont'd)

(a) Joint ventures (cont'd)

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to the end of reporting period. The Group's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of total comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale.

The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition results and reserves. The cost of investment includes transaction costs.

The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition results and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Property, plant and equipment

Property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, property, plant and equipment, freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets net of the estimated residual values over their estimated useful lives. The useful lives of property, plant and equipment are as follows:

Buildings	50 years
Leasehold land and buildings	50 years
Plant and machinery	12 years
Computer	5 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	5 years
Renovation	5 years

Property, plant and equipment are not depreciated upon classified as held for sale.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vii) Capital work-in-progress

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken (if any) to finance the acquisition of the assets to the date that the assets are complete and put into use.

(viii) Land use rights

All land in the PRC is owned by the State or collectives. Individuals and companies are permitted to acquire land use rights for general or specific purposes. In the case when land is used for industrial purposes, the land use rights are granted for a period of 50 years. The rights may be renewed at the expiration of the initial and any subsequent terms according to the relevant Chinese laws. Granted land use rights are transferable and may be used as security for borrowings and other obligations.

The cost of acquisition of land use rights is capitalised and amortised on a straight-line basis over the lease term of the land of 50 years. Once it is classified as held for sale, it is not amortised.

(ix) Investment properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The useful live of investment properties is 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ix) Investment properties (cont'd)

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment properties only when there is a change in use. All transfers do not change the carrying amount of the property once classified as held for sale. Investment properties are not depreciated once classified as held for sale.

(x) Intangible assets

(a) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

(b) Capitalised development costs

Costs incurred during the development phase are capitalised as assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure during development phases can be reliably measured.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses. The development costs are amortised on a straight-line basis over its useful life from the point at which the asset is ready for sale or use. The amortisation period and the amortisation method are reviewed at each reporting date.

The estimated useful lives for development costs available for use is between 3 to 10 years.

Development costs that do not meet these criteria are recognised as an expense when incurred. Development costs initially recognised as an expense is not recognised as an asset in the subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xi) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(xii) Contract asset and contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 *Financial Instruments*.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(xiii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with average maturity periods of three months or less.

(xiv) Non-current assets (or disposal groups) and discontinued operations held for sale

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset (or disposal group) being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Depreciation and amortisation for a non-current asset ceases once it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

(xiv) Non-current assets (or disposal groups) and discontinued operations held for sale

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

(i) represents a separate major line of business or geographical area of operations;
(ii) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or
(iii) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations is disclosed separately from continuing operations as a single amount comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

(xv) Impairment

(a) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve months expected credit losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xv) Impairment (cont'd)

(a) Impairment of financial assets (cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of non-financial assets

The carrying values of non-financial assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. If any such indication exists, then 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 flows from continuing use that are largely independent of the cash inflows of other assets or cash generating-units ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU 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 CGU that are expected to benefit from the synergies of the combination.

The recoverable amount for an asset or CGU 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 its related CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of CGUs) on a *pro-rata* basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xv) Impairment (cont'd)

(b) Impairment of non-financial assets (cont'd)

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 if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(xvi) Employee benefits

(a) Short-term benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined contribution plans

The Group's and its subsidiaries' contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(xvii) Income taxes

(a) Current tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xvii) Income taxes (cont'd)

(b) Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Value added tax ("VAT")

The Group's sales of goods in the PRC are subject to VAT at the applicable tax rate for the PRC domestic sales. Input VAT on purchases can be deducted from output VAT. The net amount of VAT recoverable from, or payable to, the tax authority is included as part of "other receivables" or "other payables" in the consolidated statements of financial position.

Revenue, expenses and assets are recognised net of the amount of VAT except:

(i) where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
(ii) receivables and payables that are stated with the amount of VAT included.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xviii) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(xix) Earnings per ordinary shares

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(xix) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xx) Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- 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.

(a) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of services

Revenue from providing services is recognised at a point in time when the services are completed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xx) Revenue from contracts with customers (cont'd)

(c) Construction services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

Income from other sources

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(xxi) Leases

The Group as lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

The Group as lessee

When the lease commences, the lessee will recognise the right-of-use of asset and a lease liability, except for short-term leases and leases of low value assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xxi) Leases (cont'd)

The Group as lessee (cont'd)

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payment are recognised as an expense on a straight-line basis over the lease term.

The lease liabilities is measured at present value for lease payment that have not been paid at date. The lease shall be discounted using the interest rate implicit in the lease. If the rate is unable to be determined, the incremental borrowing rate will be used.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

(xxii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probably that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of estimated future those cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xxiii) Borrowing costs

All borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing cost may include interest expense, interest in respect of lease liability and interest cost arising from foreign currency borrowings.

Borrowing cost can be included as part of the cost of asset if it is related to the acquisition cost. An entity can capitalise the borrowing cost when it incurs expenditure for the asset, incurs borrowing costs and undertakes activities that are necessary to prepare the asset for its intended use or sale.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS

The preparation of the financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors (including expectations for future events that are believed to be reasonable under the circumstances), actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial periods affected.

<u>Judgement made in applying accounting policies</u>

The significant judgements made by management in the process of applying the Group's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

Determination of loss of control over subsidiaries

The Group might lose control of a subsidiary in two or more arrangements (transactions). However, sometimes circumstances indicate that the multiple arrangements should be accounted for as a single transaction. In determining whether to account for the arrangements as a single transaction, the Group shall consider all the terms and conditions of the arrangements and their economic effects.

One or more of the following indicate that the Group should account for the multiple arrangements as a single transaction:

(a) They are entered into at the same time or in contemplation of each other.
(b) They form a single transaction designed to achieve an overall commercial effect.
(c) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement.
(d) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

a) They form a single transaction designed to achieve an overall commercial effect.

The Group assessed whether it has lost control over a subsidiary based on above terms of sale agreements and concluded that they have not lost control over the subsidiary classified as held for sale.

<u>Key Estimation and Assumption</u>

The key assumptions concerning the future and other key sources associated with estimated uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (CONT'D)

Key Estimation and Assumption (cont'd)

(i) Goodwill arising from acquisition of subsidiary

Goodwill arising from acquisition of the subsidiary during the financial period was determined using a provisional purchase price allocation exercise to determine the fair value of the acquired assets and liabilities. Management exercised significant judgement in determining the fair value of the acquired assets and liabilities assumed. The final goodwill amount will be dependent on the completion of the valuation of the acquired assets and liabilities assumed.

(ii) Impairment of goodwill

The Group has recognised an impairment loss on its goodwill of RM20,352,000 during the financial period as disclosed in note 9 to the financial statements.

In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of the CGU in which goodwill has been attributable to, are determined by using value-in-use calculations. Changes in the key assumptions used by management in assessing the impairment may affect the value-in-use of goodwill.

(iii) Trade receivables and contract assets

Management assesses the expected credit losses ("ECL") for trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the Group and the cash flows that it actually expects to receive. Management applies simplified approach in assessing the impairment of trade receivables and contract assets.

In determining the ECL, management uses historical credit loss experience for trade receivables and contract assets to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables and contract assets are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables and contract assets.

The ECL on trade receivables and contract assets is primarily based upon the historical credit loss experience.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (CONT'D)

Key Estimation and Assumption (cont'd)

(iv) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(v) Impairment of non-financial assets

The Group determines whether their non-financial asset is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

(vi) Impairment of investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment losses in the Company's statement of financial position. The management performed its assessment as to whether at the reporting date, there is any indication of impairment has occurred. In making the estimation, the management evaluate, among other factors, the current financial performance and financial position of the subsidiaries.

The management concluded that there is impairment require to reduce the carrying amount of investments in subsidiaries based on the assessment of recoverable amount compared with their carrying values as disclosed in note 7 to the financial statements.

(vii) Write down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (CONT'D)

Key Estimation and Assumption (cont'd)

(viii) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions during the ordinary course of business and computations for which the ultimate tax determination is uncertain.

The Group recognises 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold Land RM'000	Computer RM'000	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Total RM'000
Group							
Cost							
As at 1.7.2020		187	-	-	-	-	187
Remeasurement arising from completion of purchase price allocation exercise	7(c)	(187)	-	-	-	-	(187)
As restated		-	-	-	-	-	-
Acquisition of a subsidiary	7(d)	-	143	5	146	10	304
Additions		-	130	-	-	-	130
As at 31.12.2021		-	273	5	146	10	434
Accumulated depreciation							
As at 1.7.2020		-	-	-	-	-	-
Acquisition of a subsidiary	7(d)	-	107	5	146	9	267
Depreciation for the period		-	15	-	-	1	16
As at 31.12.2021		-	122	5	146	10	283
Carrying amount							
As at 31.12.2021		-	151	-	-	-	151
As at 30.06.2020 (Restated)		-	-	-	-	-	-

6. DEVELOPMENT COSTS

	Note	Available for use RM'000	Work-in-progress RM'000	Total RM'000
Group				
Cost				
At 1 July 2020		-	-	-
Acquisition of a subsidiary	7(d)	1,268	1,287	2,555
Addition		-	245	245
Transfer from/(to)		1,175	(1,175)	-
At 31 December 2021		2,443	357	2,800
Accumulated amortisation				
At 1 July 2020		-	-	-
Acquisition of a subsidiary	7(d)	184	-	184
Charge for the period		219	-	219
At 31 December 2021		403	-	403
Carrying amount				
At 31 December 2021		2,040	357	2,397
At 1 July 2020		-	-	-

The development costs during the financial period include the following:

	31.12.2021 RM'000	30.6.2020 RM'000
Employee benefit expenses	212	-

Development costs of the Group at the end of the financial period relates to expenditure incurred for the development of various mobile and digital solutions of the Group during the financial period.

Development costs are amortised between 3 to 10 years, and is recognised as expenses in the "cost of sales".

At the end of reporting period, the development costs work-in-progress were tested for impairment. No impairment loss was recognised during the financial period.

7. INVESTMENTS IN SUBSIDIARIES

Company	Note	31.12.2021 RM'000	30.6.2020 RM'000
Unquoted shares in Malaysia			
At 1 July		19,096	750
Add: Acquisition of a subsidiary		-	18,346
Less: Disposal of a subsidiary	(b)	(750)	-
Less: Accumulated impairment	(a)	(5,787)	-
At 31 December/30 June		12,559	19,096

The details of the subsidiaries are as follows:

Name of subsidiaries	Note	Equity interest Direct 2021 %	Equity interest Direct 2020 %	Equity interest Indirect 2021 %	Equity interest Indirect 2020 %	Principal place of business and place of incorporation	Principal activities
Gorgeous Goldhill Sdn Bhd ("GGSB")#	(b)	-	100	-	-	Malaysia	Project management services and infrastructure construction
Television Airtime Services Sdn Bhd ("TAS")	(c)	51	51	-	-	Malaysia	Investment holding
Held through TAS							
Dapat Vista (M) Sdn Bhd ("DVSB")	(d)	-	-	40.8	-	Malaysia	Business of mobile application and payment gateways
Be Top Group Limited ("Be Top")*		100	100	-	-	The British Virgin Islands	Investment holding

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Note	Equity interest Direct 2021 %	Direct 2020 %	Indirect 2021 %	Indirect 2020 %	Principal place of business and place of Incorporation	Principal activities
Held through BeTop							
Top Textile (Suzhou) Co., Ltd. ("Top Textile")#*		-	-	100	100	People's Republic of China ("PRC")	Investment holding, production on customised woven loom-state fabrics made from cotton, synthetic and mixed yarn

* *These subsidiaries are classified as held for sale as disclosed in note 14 to the financial statements*
\# *Not audited by Mazars PLT*

(a) Impairment losses

Movement in impairment of investments in subsidiaries are as follows:

Company	31.12.2021 RM'000	30.6.2020 RM'000
At 1 July	-	-
Impairment loss recognised during the period	5,787	-
At 31 December/30 June	5,787	-

In the current financial period, the Group has reassessed the recoverability of its investment based on financial position and performance of the subsidiaries, which indicated the existence of an impairment.

Impairment loss on cost of investment in a subsidiary amounting to RM5,787,000 (30.6.2020: nil) was recognised in "other expenses" in profit or loss in current financial period based on the estimated value-in-use derived from cash flow projections which was lower than its carrying amount.

These key assumptions used in this cash flow projection are similar to the impairment assessment on the goodwill, which have been set out in note 9 to the financial statements, except for the pre-tax discount rate. The pre-tax discount rate applied for this cash flow projection was 14%. Management recognises that changes in the future cash flows may have a material effect on the value-in-use calculations. A reduction in the forecasted revenue growth rate or revision in discount rate used may result in further impairment.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) On 28 August 2020, the Company entered into a share sale agreement dated on the same day with Dato' Soo Sze Ching, in relation to the disposal of 100% equity interest held in GGSB comprising 750,000 ordinary shares for a cash consideration of RM130,000. The disposal was completed on 1 September 2020.

Details of the disposal and net cash flow on disposal are as follows:

Group	At date of disposal RM'000
Cash and bank balances	9
Other current assets	20,060
Current liabilities	(19,077)
Net assets disposed	992
Loss on disposal	(862)
Sales consideration	130
Less: Cash and bank balances of GGSB disposed	(9)
Net cash inflow on disposal	121

The loss on disposal was recognised in "other expenses" in profit or loss.

(c) On 22 May 2020, the Company completed the acquisition of 51% equity interest in TAS and obtained control. Upon acquisition, TAS became a subsidiary of the Company. In accordance with MFRS 3 *Business combinations,* the Group has a period of 1 year to perform a purchase price allocation exercise to establish the fair value of the net identifiable assets and liabilities arising from this acquisition. Subsequent to the preliminary assessment made in the previous financial year, the Group had, during the current financial period, finalise the purchase price allocation which resulted in increase in goodwill of RM286,000 that has been adjusted retrospectively. Details of the restatement made are disclosed in note 32 to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the acquisition as previously reported based on the preliminary assessment and the final assessment are as follows:

	Preliminary amount RM'000	Adjustment RM'000	Final amount RM'000
Freehold land	187	(187)	-
Investment in a joint venture	2,145	377	2,522
Assets classified as held for sale	414	-	414
Cash and bank balances/(Overdraft)	89	(179)	(90)
Other current assets	4,598	(589)	4,009
Current liabilities	(66)	16	(50)
Liabilities classified as held for sale	(467)	-	(467)
Net assets acquired	6,900		6,338
Non-controlling interests at acquired	(3,381)	276	(3,105)
Goodwill arising from acquisition (note 9)	14,827	286	15,113
Purchase consideration	18,346		18,346
Less: Fair value of shares consideration	(16,346)		(16,346)
Less: Cash consideration paid/ payable	(1,000)		(1,000)
Cash consideration paid	1,000		1,000
Less: Cash and bank balances in subsidiary acquired	(89)	179	90
Net cash outflow on acquisition	911		1,090

(d) As announced by the Company on 23 April 2020, TAS will acquire 24% additional equity interest in DVSB for a cash consideration of RM5,925,000, which will be completed in proportion to payment of each of the balance tranches up to December 2023 in accordance with the terms of the agreement.

On 2 August 2021, TAS completed the acquisition of additional 24% equity interest in DVSB and obtained control. Upon acquisition, DVSB became a subsidiary of the Group. The fair value adjustment and goodwill on acquisition in relation to DVSB are provisional as the Group is currently undertaking a purchase price allocation exercise to identify and measure intangible assets, if any. The provisional goodwill arising from the acquisition and identified intangible assets if any, will be adjusted accordingly on a retrospective basis when the purchase price allocation is finalised.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the acquisition of DVSB are as follows:

Group	Note	31.12.2021 RM'000
Property, plant and equipment	5	37
Development costs	6	2,371
Cash and bank balances		330
Other current assets		4,088
Current liabilities		(4,033)
Net assets acquired		2,793
Non-controlling interests at acquired		7,326
Provisional goodwill arising from acquisition	9	9,349
Purchase consideration		19,468
Less: Carrying amount of previously held equity stake	8	(13,543)
Cash consideration paid		5,925
Less: Cash and bank balances in subsidiary acquired		(330)
Net cash outflow on acquisition		5,595

(e) From the date of acquisition, DVSB has contributed RM3,295,000 and RM66,900 to the revenue and loss after tax of the Group from continuing operations respectively. If the combination has taken place at the beginning of the financial period, the Group's revenue and loss after tax from continuing operations would have been RM15,923,000 and RM26,336,000 respectively.

Transaction cost of RM17,000 has been recognised in connection with the acquisition of DVSB in "administrative and general expenses" in profit or loss for the current financial period.

(f) Material non-controlling interests in a subsidiary

The Group's subsidiary that has material non-controlling interests at the end of the reporting period is as follows:

Name of subsidiary	Equity interest by non-controlling interest		Loss allocated to non-controlling interests*		Carrying amount of non-controlling interests	
	31.12.2021 %	30.6.2020 %	31.12.2021 RM'000	30.6.2020 RM'000	31.12.2021 RM'000	30.6.2020 RM'000
DVSB	59.20	-	(97)	-	(7,369)	-

* Amounts before intra-group elimination

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Summarised financial information of the Group's subsidiary that has material non-controlling interests (amounts before intra-group elimination) are as follows:

DVSB	31.12.2021 RM'000
Non-current assets	2,548
Current assets	7,264
Current liabilities	(7,183)
Equity attributable to the owners	(2,629)

	1.7.2020 to 31.12.2021 RM'000
Revenue	8,076
Loss for the period	(164)

8. INVESTMENTS IN JOINT VENTURES

Group	Note	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Unquoted shares in Malaysia			
At 1 July		13,988	-
Arising from acquisition of a subsidiary	7(c)	-	2,145
Additions		-	11,575
Remeasurement arising from completion of purchase price allocation exercise	7(c)	-	377
Share of post-acquisition results		(445)	(109)
Previously held equity stake to be classified as investment in subsidiary	7(d)	(13,543)	-
At 31 December/30 June		-	13,988

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

(a) The details of the joint ventures are as follows:

Name of joint venture	Equity interest Direct 2021 %	Equity interest Direct 2020 %	Equity interest Indirect 2021 %	Equity interest Indirect 2020 %	Principal place of business and place of incorporation	Principal activities
DVSB^	-	56	-	28.6	Malaysia	Business of mobile application and payment gateways
HL Painting Co. ("Han Ling")*	-	-	50	50	PRC	Packaging of plastic and glass made products

^ *Became a subsidiary of the Group during the current financial period as disclosed in note 7(d)*

* *Held through Top Textile and is classified as held for sale as disclosed in note 14 to the financial statements and not audited by Mazars PLT.*

(b) The summaries financial information for the joint ventures are as follows:

	30.6.2020 RM'000
DVSB	
Non-current assets	1,088
Current assets	1,145
Current liabilities	(1,040)
Net assets	1,193

	1.7.2019 to 30.6.2020
Revenue	264
Loss for the year	(195)

The summarised financial information of Han Ling is disclosed in note 14(c) to the financial statements as it is classified as held for sale.

There are no contingent liabilities or capital commitment relating to the Group's interest in the joint ventures as at the reporting date.

9. GOODWILL

Group	Note	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
At 1 July		15,113	-
Remeasurement arising from completion of purchase price allocation exercise	7(c)	-	286
Acquisition of a subsidiary	7(c)(d)	9,349	14,827
Impairment losses		(20,352)	-
At 31 December/30 June		4,110	15,113

Goodwill on acquisition of subsidiaries is allocated at the date of acquisition, to the mobile and digital solutions of the Group. The consideration paid for the acquisition effectively included amounts for anticipated profitability, future market development of the CGU and benefit of expected synergies to arise after the acquisitions.

A provisional goodwill of approximately RM9,349,000 was recognised on the acquisition of DVSB, as disclosed in note 7(d), based on the difference between the purchase consideration and the provisional fair value of the identifiable assets and liabilities assumed as at the date of acquisition subject to completion of the purchase price allocation exercise. The Group has a measurement period of not exceeding (1) one year from the date of acquisition to determine the final purchase price allocation exercise.

In previous financial year, a provisional goodwill of RM14,827,000 was recognised on the acquisition of TAS based on the difference between the purchase consideration and the provisional fair value of the identifiable assets and liabilities assumed as at the date of acquisition subject to completion of the purchase price allocation exercise.

The provisional amount was finalised during the financial period as disclosed in note 7(c) to the financial statements.

Goodwill impairment testing

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on estimation of the value-in-use, which required use of management, estimates about the future results and key assumptions in the determination of recoverable amount. At date of reporting, the carrying amount of the CGU exceeds the value-in-use and an impairment loss of RM20,352,000 (30.6.2020: nil) was recognised in "other expenses" of profit or loss of the current financial period.

Value-in-use was determined by discounting the future cash flows to be generated from the continuing use of the CGU based on the following key assumptions:

9. GOODWILL (CONT'D)

(a) Forecast period

Cash flows projections are based on the 2022 business plans and forecasted for a period of 5 years. Cash flow projections were not prepared beyond 5 years after taking into account the current customers' contracts tenure and available data both internal and external at the date of reporting. For the last financial year, cash flows prepared are based on financial budgets covering a 5 years period and beyond with a terminal growth of 2%.

The assumptions were revisited by management during the current financial period due to change in circumstances such as available signed customers' contracts, tenure of future economic benefits arising from respective contracts and increased competition in the market for the development of mobile and digital products by others which resulted the revision.

(b) Revenue growth rate

The anticipated annual revenue growth included in the cash flow projects was ranging up to 19% during the forecasted periods based on the average growth achieved in previous years adjusted for expected growth.

(c) Discount rate

Discount rate used by management for discounting purpose is the Group's weighted average cost of capital adjusted for specific risks relating to the CGU. The discount rate used was pre-tax at 13.68% (30.6.2020: 15.70%).

The above key assumptions are based on management's knowledge of the industry and current available data. In assessing the value-in-use, management is of the view that no reasonably foreseeable changes in any of the above key assumptions are expected to cause the carrying value of the cash-generating unit to materially exceed its recoverable amount.

10. TRADE RECEIVABLES

Group	31.12.2021 RM'000	30.6.2020 RM'000
Receivables from contracts with customers	327	15,666
	========	========

Customers are granted a credit period between 30 to 120 (30.6.2020: 30 to 270) days. Other credit terms are assessed and approved on a case-by-case basis.

11. CONTRACT ASSETS

Group	31.12.2021 RM'000	30.6.2020 RM'000
Contract assets	2,178	3,565
	========	========

(a) For the current financial period, the contract assets relates to Group's right to consideration for services rendered to customers but not yet billed as at reporting date. The amount will be invoiced within the next twelve months.

In the previous financial year, the contract assets relates to the Group's right to consideration for construction work completed on construction contracts and service rendered to customers but not yet billed as at the reporting date. The amount will be invoiced within the next twelve months.

(b) The movement is summarised as below:

	31.12.2021 RM'000	30.6.2020 RM'000
At 1 July	3,565	16,162
Arising from acquisition of a subsidiary	22	-
Revenue recognised	4,222	8,609
Invoiced to customers	(2,050)	(21,206)
Disposal of a subsidiary	(3,581)	-
	--------------	--------------
At 31 December/30 June	2,178	3,565
	========	========

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Group	Note	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Other receivables		41	627
Amount owing by a related company	(a)	-	311
Deposits		21	-
Prepayments		72	-
		--------------	--------------
		134	938
		========	========
Company			
Amount owing by a subsidiary	(b)	9,864	-
Other receivables		20	46
Deposits		2	2
Prepayments		4	14
		--------------	--------------
		9,890	62
		========	========

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(a) The amount owing by a related company is non-trade in nature, unsecured, interest-free and settled in current financial period.

(b) The amount owing by a subsidiary is non-trade advances for working capital, unsecured, subject to interest rate of 8% per annum, and receivable on demand.

13. CASH AND CASH EQUIVALENTS

	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Group		
Continuing operations		
Fixed deposits	14,315	-
Bank balances	7,042	8
	21,357	8
Discontinued operations		
Fixed deposits	393	1,090
Bank balances	13,625	13,429
	14,018	14,519
Subtotal	35,375	14,527
Less: Fixed deposits with tenure more than three months	(393)	(1,090)
Less: Pledged fixed deposit	(8,000)	-
Total cash and cash equivalents	26,982	13,437
Company		
Fixed deposits	14,315	-
Bank balances	2,345	103
	16,660	103
Less: Pledged fixed deposit	(8,000)	-
Total cash and cash equivalents	8,660	103

13. CASH AND CASH EQUIVALENTS (CONT'D)

As at reporting date, the fixed deposits of RM8 million (30.6.2020: nil) is pledged for the credit facilities of subsidiary as disclosed in note 19. The fixed deposits with licensed banks of the Group's and of the Company's bore effective interest rates of 3.15% per annum (30.6.2020: nil) respectively. These fixed deposits have an average maturity period of one month.

The fixed deposits with licensed banks of the Group's discontinued operations bore effective interest rates of 1.12% per annum (30.6.2020: 1.21%) respectively. These fixed deposits have an average maturity period of one year.

14. ASSETS, LIABILITIES AND RESERVES CLASSIFIED AS HELD FOR SALE

The assets, liabilities and reserves of the disposal groups are as follows:

Group	Note	31.12.2021 RM'000	30.6.2020 RM'000
Assets Classified as Held for Sale			
Non-current assets			
Property, plant and equipment		55,015	51,309
Investment property		4,370	4,039
Land use rights		6,850	6,164
Equity accounted joint venture	(c)	9,178	9,297
Other investment		5,111	-
Deferred tax assets		3,402	1,633
		83,926	72,442
Loss on re-measurement of assets classified as held for sale		(75,413)	(70,395)
		8,513	2,047
Group			
Current assets			
Inventories		5,308	8,059
Trade receivables		21,529	15,799
Other receivables and deposits		3,633	3,323
Current tax asset		-	4,084
Short-term investments		104,832	75,700
Fixed deposits with licensed banks		393	1,090
Cash and bank balances		13,625	13,429
		149,320	121,484
Total		157,833	123,531

14. ASSETS, LIABILITIES AND RESERVES CLASSIFIED AS HELD FOR SALE (CONT'D)

Group	31.12.2021 RM'000	30.6.2020 RM'000
Reserves Classified as Held for Sale		
Foreign exchange translation reserves	55,755	40,420
	=========	=========
Liabilities Classified as Held for Sale		
Trade payables	1,314	1,263
Other payables and accruals	14,411	10,496
Current tax liability	1,010	-
	----------------	----------------
Total	16,735	11,759
	=========	=========
Company		
Assets Classified as Held for Sale		
Investments in subsidiaries	70,000	70,000
	=========	=========

**The carrying amounts of non-current assets are measured at the lower of its carrying amount and fair value less costs to sell. The loss on re-measurement to fair value less costs to sell of RM5,018,000 (30.6.2020: RM823,000) is recognised in statements of total comprehensive income of the Group as disclosed in note 23 to the financial statements.*

(a) On 12 December 2018, the Company announced the proposed disposal of its foreign assets for cash via an open tender exercise. The foreign assets of the Company comprise investments in its wholly-owned subsidiary, namely Be Top and the wholly-owned subsidiary of Be Top, namely Top Textile. The foreign assets represent the production and sale of fabric products segment of the Group.

On 2 May 2019, the Company entered into a conditional share sale agreement ("SSA") with Gifted Investments Limited ("GIL") for disposal of the entire equity interest in Be Top to GIL for a total disposal consideration of RM70 million ("Disposal of Be Top").

The disposal consideration is to be satisfied by GIL in the following manner:

	RM'000
i) Assumption of amount owing by the Company to subsidiaries*	36,485
ii) Cash#	33,515

Total disposal consideration	70,000
	======

**Amount owning to subsidiaries to be assumed by GIL shall subject to further adjustments based on the amounts owing to subsidiaries in accordance with the supplemental disposal SSA entered by the parties on 18 June 2020.*
#This includes bidding bond of RM3million received by the Company from GIL.

14. ASSETS, LIABILITIES AND RESERVES CLASSIFIED AS HELD FOR SALE (CONT'D)

On 18 June 2020, the Company further entered into a supplemental share sale agreement ("Supplemental Disposal SSA") with GIL to vary and amend certain arrangement, terms and conditions of the disposal SSA. The key salient terms of the Supplemental Disposal SSA is that the disposal consideration is to be completed in three (3) tranches.

On 21 September 2020, the Company received the first cash payment for the sum of RM12 million from GIL for the tranche 1 share sale of 21.5% equity interest in Be Top in respect of the Disposal of Be Top.

On 16 July 2021, the Company received the second cash payment amounting to RM18.515 million for the tranche 2 share sale of 26.5% equity interest in Be Top in relation to the Disposal of Be Top.

As at reporting date, the Company has yet to fulfil the condition stipulated in the Supplemental Disposal SSA. Accordingly, the disposal proceeds for tranche 1 and tranche 2 received from GIL were recognised as other payables and accruals as at reporting date. The proposed disposal is expected to be completed within the next twelve months. Further details of the transaction are disclosed in note 33(b) to the financial statements.

The assets, liabilities and reserves arising from the foreign operations have been presented in the statements of financial position as "Assets classified as held for sale", "Liabilities classified as held for sale" and "Reserves classified as held for sale", and its results are presented separately on the statements of total comprehensive income as "Profit/(Loss) for the financial period/year from discontinued operations".

(b) In the previous financial year, included in property, plant and equipment are leasehold land and buildings of TAS classified as held for sale amounted to RM414,000. On 29 December 2016, TAS entered into a conditional sale and purchase agreement to dispose these assets for a total cash consideration of RM470,000. The properties have been reclassified as assets held for sale. The disposal was completed during the current financial period.

Also, included in other payables and accruals is the purchase consideration received from the purchaser of the said properties, amounted to RM467,000, classified as liabilities held for sale.

(c) Financial information of equity-accounted joint venture

	31.12.2021 RM'000	30.6.2020 RM'000
Non-current assets	4,156	8,334
Current assets	24,383	35,323
Current liabilities	(11,494)	(20,130)
Net assets	17,045	23,527

14. ASSETS, LIABILITIES AND RESERVES CLASSIFIED AS HELD FOR SALE (CONT'D)

(c) Financial information of equity-accounted joint venture (cont'd)

	31.12.2021 RM'000	30.6.2020 RM'000
Revenue	36,955	37,934
Dividend	(6,322)	-
Profit for the period/year	8,167	7,169
	========	========

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
Group and Company	'000	'000	RM'000	RM'000
At 1 July	433,361	394,899	134,816	118,470
Issuance of shares	-	38,462	-	16,346
Share capital reduction	-	-	(86,000)	-
	------------	------------	------------	------------
At 31 December/30 June	433,361	433,361	48,816	134,816
	=======	=======	=======	=======

During the financial period, the Company reduced its issued share capital from RM134,816,000 to RM48,816,000 pursuant to Section 117 of the Companies Act 2016. The credit of RM86,000,000 arising from the Share Capital Reduction was used to eliminate the accumulated losses of the Company.

In previous financial year, the Company has issued 38,461,538 new ordinary shares to satisfy partially the total purchase consideration for the acquisition of 51% equity interest in TAS.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

16. RESERVES

	Note	Group 31.12.2021 RM'000	Group 30.6.2020 RM'000	Company 31.12.2021 RM'000	Company 30.6.2020 RM'000
Statutory reserves	(a)	17,942	15,933	-	-
Retained earnings/(Accumulated losses)		4,837	(66,581)	(16,521)	(89,110)
		22,779	(50,648)	(16,521)	(89,110)

(a) The statutory reserves represent amounts transferred from profit after tax of the subsidiary established in the PRC in accordance with the PRC's laws and regulations as explained in note 3.

17. TRADE PAYABLES

The credit periods granted by trade payables ranged between 30 to 90 (30.6.2020: 60 to 90) days.

18. OTHER PAYABLES AND ACCRUALS

	Note	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Group			
Other payables		2,147	1,473
Amount owing to a shareholder	(a)	33,515	3,000
Amounts owing to a director	(c)	701	-
Accruals		3,016	2,364
		39,379	6,837
Company			
Other payables		1,970	1,448
Amount owing to a shareholder	(a)	33,515	3,000
Amounts owing to subsidiaries	(b)	39,185	36,743
Accruals		2,144	2,364
		76,814	43,555

(a) In previous financial year, the amount owing to a shareholder represents cash consideration payable for the acquisition of 51% equity interest in TAS as disclosed in note 7(c). The amount is unsecured and interest-free and was settled during the financial period.

18. OTHER PAYABLES AND ACCRUALS (CONT'D)

The balance of the Group and of the Company for the current financial period amounting to RM33,515,000 which represents consideration received from GIL in relation to the proposed disposal as disclosed in note 14(a).

(b) The amounts owing to subsidiaries are non-trade advances, which are unsecured, interest-free balances and repayable on demand. These amounts expected to be settled in the manner as disclosed in note 14(a).

(c) The amounts owing to a director are non-trade in nature, unsecured, interest-free and repayable on demand.

The settlement of amounts owing to subsidiaries and to a director form part of the working capital management of the Group and of the Company.

19. BANK BORROWING

The interest rate of revolving credit of the Group is at cost of fund plus 2% (2020: cost of fund plus 2%) per annum.

The Group's borrowing is secured by way of the followings:

i) Fixed deposit as disclosed in note 13;
ii) Personal guarantee by a director of the Company; and
iii) Corporate guarantee from the Company.

Reconciliation of liabilities from financing activities to the statements of cash flows are as follows:

Group	31.12.2021 RM'000	30.6.2020 RM'000
At 1 July	7,750	-
Cash flows:		
Drawdowns	250	7,750
Interest paid	(588)	-
Non-cash:		
Interest expenses	588	-
At 31 December/30 June	8,000	7,750

20. REVENUE

	Group		Company	
	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Revenue from contracts with customers				
Contract revenue	15	8,489	-	-
Rendering of services	8,076	120	-	-
	8,091	8,609	-	-
Revenue from other sources				
Interest income	186	42	480	42
	8,277	8,651	480	42

Analysis of revenue

	Group		Company	
Geographical Areas				
Domestic	8,277	8,651	480	42
Timing of Revenue Recognition				
At a point in time	8,262	162	-	-
Over time	15	8,489	-	-

The Group has applied practical expedient to not disclose the unsatisfied performance obligations for revenue to be recognised in the future for those recognised over time as the performance obligations are expected to be completed within the next 12 months.

21. LOSS BEFORE TAX

	Group		Company	
	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Loss before tax is stated after charging/(crediting):				
Auditors' remuneration:				
- statutory audit:				
- auditors of the Company	264	132	88	41
- other auditors	-	20	-	-
- other assurance engagements	8	42	8	42
Amortisation of development costs	219	-	-	-
Depreciation of property, plant and equipment	16	-	-	-
Impairment loss on investments in subsidiaries	-	-	5,787	-
Impairment loss on goodwill	20,352	-	-	-
Interest expense	588	3	-	-
Interest income	(186)	(129)	(480)	(42)
Loss on disposal of a subsidiary	862	-	620	-
Rental of short term assets	38	-	-	-
Net unrealised loss on foreign exchange	-	198	3,183	198
Staff costs:				
- short-term employee benefits	1,937	398	423	260
- defined contribution benefits	190	30	57	14
Waiver of debts from a former subsidiary	-	-	(740)	-
Waiver of debt from a director	(64)	-	-	-
	======	======	=======	=======

22. TAXATION

	Group		Company	
	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Continuing operations				
Current tax				
- current financial period	16	26	-	-
- prior financial year	4	-	-	-
	20	26	-	-
Discontinued operations				
Current tax				
- current financial period	6,618	351	-	-
- prior financial year	-	(2,407)	-	-
	6,618	(2,056)	-	-
Discontinued operations				
Deferred tax				
- current financial period	(983)	-	-	-
- prior financial year	(786)	(1,633)	-	-
	(1,769)	(3,689)	-	-
Total	4,869	(3,663)	-	-

22. TAXATION (CONT'D)

The corporation income tax rate (the "applicable tax rate") in Malaysia is 24% (30.6.2020: 24%). The taxation for other jurisdictions is calculated at the tax rate prevailing in the respective jurisdiction.

The difference between tax expense/(income)and the amount of tax determined by multiplying the (loss)/profit before tax to the applicable tax rate, is analysed as follows:

	Group		Company	
	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
(Loss)/Profit for the financial period/year	(13,472)	2,073	(13,411)	(1,209)
Tax expense/(income)	4,869	(3,663)	-	-
Loss from continuing and discontinued operations before tax	(8,603)	(1,590)	(13,411)	(1,209)
Tax calculated at the applicable tax rate	(1,876)	(382)	(3,219)	(290)
Non-deductible expenses	8,991	1,205	3,219	290
Non-taxable income	(1,397)	(439)	-	-
Effects of differential in tax rates of subsidiaries	(47)	(7)	-	-
Changes in unrecognised deferred tax assets	(20)	-	-	-
Prior financial adjustment	(782)	(4,040)	-	-
	4,869	(3,663)	-	-

At 31 December 2021, the Group has unutilised tax losses of RM8,686,000 (30.6.2020: RM8,771,000) that are available for carry forward to offset against future taxable income. Deferred tax assets have been recognised in respect on this balance as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

The availability of unutilised tax losses for offsetting against future taxable profits of entities in Malaysia are subject to requirements and guideline issued by the tax authority and will expire in the following year:

	Group	
	31.12.2021 RM'000	30.6.2020 RM'000
Expire in 2029	8,686	8,771

23. PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/YEAR FROM DISCONTINUED OPERATIONS

As disclosed in note 14 to the financial statements, the Company is in the process of disposing of its production and sale of fabric products business segment which is expected to be completed within next twelve months.

An analysis of the results of the discontinued operations is as follows:

Group	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Revenue	104,425	93,887
Cost of sales	(85,675)	(85,623)
Gross profit	18,750	8,264
Other income	14,949	2,362
	33,699	10,626
Distribution and marketing expenses	(1,097)	(1,669)
Administrative and general expenses	(9,721)	(11,072)
Share of result of a joint venture, net of tax	923	2,173
Results from operating activities	23,804	58
Tax (expense)/income	(4,849)	3,689
Results from operating activities, net of tax	18,955	3,747
Loss on re-measurement to fair value less costs to sell	(5,018)	(823)
Profit after tax from discontinued operations	13,937	2,924
Attributable to:		
Owners of the Company	13,937	2,924

23. PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/ YEAR FROM DISCONTINUED OPERATIONS (CONT'D)

(a) Included in the results from operating activities are the following:

Group	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Auditors' remuneration:		
- statutory audit:	158	118
Dividend income	(3,161)	-
Interest income	(6,202)	(1,873)
Inventories written (back)/down	(1,088)	2,054
Net unrealised loss on foreign exchange	-	196
Loss allowance on trade receivables	188	1,953
Loss on disposal of property, plant and equipment	685	-
Property, plant and equipment written off	767	144
Short term lease income	(1,041)	(598)
Staff costs:		
- short-term employee benefits	7,783	8,441
- defined contribution benefits	941	616

(b) The cash flows attributable to the discontinued operations are the following:

Group	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Net cash generated from operating activities	17,880	19,960
Net cash used in investing activities	(17,783)	(16,592)
Net cash generated from discontinued operations	97	3,368

24. (LOSS)/EARNINGS PER SHARE

Group	31.12.2021	30.6.2020
Continuing operations		
Loss for the financial period/year attributable to owners of the Company (RM'000)	(26,510)	(898)
Weighted average number of ordinary shares ('000)	433,361	399,009
Basic loss per share (sen)	(6.12)	(0.23)
Discontinued operations		
Profit for the financial period/year attributable to owners of the Company (RM'000)	13,937	2,924
Weighted average number of ordinary shares ('000)	433,361	399,009
Basic earnings per share (sen)	3.22	0.73

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

25. KEY MANAGEMENT PERSONNEL COMPENSATIONS

The key management personnel of the Group and of the Company includes executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

25. KEY MANAGEMENT PERSONNEL COMPENSATIONS (CONT'D)

The key management personnel compensations during the financial period/year are as follows:

	Group		Company	
	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Directors of the Company				
Continuing operations				
Short-term employee benefits:				
- fees	252	139	252	139
- salaries, bonuses and other benefits	865	19	66	19
	1,117	158	318	158
Defined contribution benefits	33	-	-	-
	1,150	158	318	158
Other Key Management Personnel				
Short-term employee benefits	53	136	53	-
Defined contribution benefits	7	5	7	-
	60	141	60	-
Discontinued operations				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,436	970	-	-
Defined contribution benefits	26	11	-	-
Total	1,462	981	-	-

25. KEY MANAGEMENT PERSONNEL COMPENSATIONS (CONT'D)

	Group		Company	
	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.06.2020 RM'000	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.06.2020 RM'000
<u>Other Key Management Personnel</u>				
Short-term employee benefits	237	136	-	-
Defined contribution benefits	13	5	-	-
Total	250	141	-	-

26. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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.

(b) Significant related party transactions

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial period/year:

(i) The significant transactions of the Group and the Company with its related parties are as follows:

	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Group		
Wujiang Rural Commercial Bank ("WRC")^		
Interest income	6,068	1,831
Azri, Lee Swee Seng & Co		
Professional and legal fees	26	40

26. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (cont'd)

	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
Group		
Waiver of debt received from a director	64	-
Company		
Waiver of debt from former of subsidiary	740	-
Interest income received/receivable	294	-

(ii) The significant balances of the Group with its related parties are as follows:

	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 30.6.2020 RM'000
WRC^		
Short-term investments	98,280	75,700
Fixed deposits with licensed banks	393	1,090
Bank balances	3,762	512
GIL		
Other payables and accruals	33,515	1,000

^ *Pan Ding is the executive director and a major shareholder of the Group. He was appointed as a member to the board of directors of WRC since 9 March 2015. In accordance with MFRS 124 Related Party Disclosures, by virtue of his appointment to the board of directors of WRC, WRC is a related party of the Group.*

27. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Group		
Financial assets at amortised cost		
Continuing operations		
Trade receivables	327	15,666
Other receivables and deposits	62	938
Fixed deposits with licensed banks	14,315	-
Cash and bank balances	7,042	8
	21,746	16,612
Discontinued operations		
Trade receivables	21,529	15,799
Other receivables and deposits	2,141	3,291
Fixed deposits with licensed banks	393	1,090
Cash and bank balances	13,625	13,429
	37,688	33,609

Group		
Financial assets at fair value through other comprehensive income		
Discontinued operations		
Other investment	5,111	-

Group		
Financial assets at fair value through profit or loss		
Discontinued operations		
Short-term investments	104,832	75,700

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Group		
Financial liabilities at amortised cost		
Continuing operations		
Trade payables	2,096	18,723
Other payables and accruals	5,864	3,837
Bank borrowing	8,000	7,750
	15,960	30,310
Discontinued operations		
Trade payables	1,314	1,263
Other payables and accruals	14,411	10,029
	15,725	11,292
Company		
Financial assets at amortised cost		
Other receivables and deposits	9,886	48
Fixed deposits with licensed banks	14,315	-
Cash and bank balances	2,345	103
	26,546	151
Company		
Other payables and accruals	4,114	3,812

The above balances exclude prepayments, tax receivables/payable and non-financial liabilities.

(b) Fair value of financial instruments

The fair values of all financial assets and financial liabilities approximate or are at their carrying amounts due to their short-term maturities or insignificant effect of discounting.

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of financial instruments (cont'd)

The Group's financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at level 2 (30.6.2020: level 2).

There has been no transfer between level 1 and level 2 during the financial period (30.6.2020: no transfer in either directions).

28. FINANCIAL RISK MANAGEMENT POLICIES

The Group's activities are exposed to following risks from interest rate risk, credit risk, currency risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables as well as contract assets. The Company's exposure to credit risk arises principally from receivables and financial guarantee given to a licensed bank for credit facilities granted to a subsidiary.

Trade receivables and contract assets

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The Group does not require collateral as security in respect of financial assets and considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

As at the end of the reporting period, the maximum exposure to credit risk by the Group is arising from trade receivables and contract assets are represented by the carrying amounts of the statements of financial position.

28. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	31.12.2021 RM'000	30.6.2020 RM'000
Continuing operations- Domestic	2,505	19,231
Discontinued operations- PRC	21,529	15,799
	24,034	35,030

Loss allowance is measured at an amount equal to lifetime expected credit loss ("ECL") on trade receivables and contract assets. The ECL are estimated using a provision matrix by reference to a past default experience of the debtor and an analysis of the debtor's current position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the financial period.

The ageing analysis of trade receivables at reporting date is as follows:

Group	Gross RM'000	Loss allowance RM'000	Net RM'000
31.12.2021			
Continuing operations			
Not past due	288	-	288
1 to 30 days past due	14	-	14
31 to 60 days past due	14	-	14
61 to 90 days past due	1	-	1
More than 90 days	10	-	10
	327	-	327

28. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

	Gross	Loss allowance	Net
Discontinued operations	RM'000	RM'000	RM'000
Not past due	13,422	-	13,422
1 to 30 days past due	5,771	-	5,771
31 to 60 days past due	218	-	218
61 to 90 days past due	1,181	-	1,181
91 to 365 days past due	512	-	512
More than 365 days	9,752	(9,327)	425
	30,856	(9,327)	21,529
	31,183	(9,327)	21,856
Group			
30.6.2020			
Continuing operations			
Not past due	4,217	-	4,217
More than 90 days	11,449	-	11,449
	15,666	-	15,666
Discontinued operations			
Not past due	4,472	-	4,472
1 to 30 days past due	2,957	-	2,957
31 to 60 days past due	3,170	-	3,170
61 to 90 days past due	1,766	-	1,766
91 to 365 days past due	5,560	(2,126)	3,434
More than 365 days	9,211	(9,211)	-
	27,136	(11,337)	15,799
	42,802	(11,337)	31,465

28. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Receivables that are past due but not impaired

The Group's continuing and discontinued operations has trade receivables amounting to RM39,000 (30.6.2020: RM11,449,000) and RM8,107,000 (30.6.2020: RM11,327,000) that are past due at the reporting date but not impaired respectively. These balances relate to a large number of diversified customers that have good track records with the Group and the directors are of the view that these receivables are recoverable. The movement in the loss allowance of trade receivables are as follows:

	Group	
	31.12.2021	30.6.2020
	RM'000	RM'000
		(Restated)
At 1 July	11,337	9,384
Allowance written off against trade receivables	(3,030)	-
Loss allowance for the period/year	188	1,953
Effect on foreign exchange translation	832	-
At 31 December/30 June	9,327	11,337

Trade receivables

As at the end reporting period, the Group's major concentration of credit risk relates to the amount owing by nil (30.6.2020: one) customers which constituted approximately nil% (30.6.2020: 100%) of its trade receivables.

Contract assets

As the end of the reporting period, the Group's major concentration of credit risk in the form of contract assets from one customer (30.6.2020:one customer) representing approximately 80% (30.6.2020: 100%) of the total contract assets from continuing operations.

None of the contract assets at the reporting date is past due. Management does not expect any credit loss based on their assessment at the reporting date.

Amount owing by a subsidiary

The management assesses the credit risk of amount owing by a subsidiary with reference to its financial position in managing exposure to credit risk.

28. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Amount owing by a subsidiary (cont'd)

The amount owing by a subsidiary are considered to have low credit risk as the Company has control over the operating, investing and financing activities of the subsidiary. The use of advances to assist with the subsidiary's cash flow management is in line with the Group's treasury management. There has been no significant increase in the credit risk of the balance since initial recognition. Management has assessed and concluded that any credit risk to be insignificant.

Cash and cash equivalents

The cash and cash equivalents are held with licensed bank and financial institutions. As at the end of the reporting period, the maximum period to credit risk is represented by their carrying amounts in the statements of financial position.

The management assessed the credit risk to be insignificant and does not expect any losses arising from non-performance by the licensed banks and financial institutions.

Financial guarantees

The Company provides secured financial guarantees to bank in respect of bank borrowing of a subsidiary. The Company monitors the ability of the subsidiary to service its loans on an individual basis.

The maximum exposure to credit risks amounts to RM8,000,000 (30.6.2020: RM7,750,000) representing the outstanding bank borrowing of the subsidiary.

The fair value of the corporate guarantee is estimated to be insignificant as the borrowing is fully collateralised by fixed deposit from the Company. As at the reporting date, management assessed that there was no indication that the subsidiary would default on its repayment as and when they are due for payment.

(b) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Exposure to interest rate risk is primarily related to the Group's interest-bearing advance, fixed deposits and borrowing.

The Group's policy is to borrow using a mix of fixed and floating rates. The objective is to reduce the impact of a rise in interest rates and to enable savings to be enjoyed if interest rates fall.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group manages its interest rate risk by placing such funds on short tenures of twelve months or less.

28. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The financial impact arising from changes in interest rate is assessed to be insignificant, hence the sensitivity has not been presented.

(c) Currency risk

The Company is exposed to foreign currency risk on amounts owing to subsidiaries that are denominated in China's Renminbi ("RMB"). The Group's exposure to currency risk is managed primarily through the application of natural hedge strategy.

In relation to Group's investments in foreign subsidiary whose net assets are classified held for sale, the differences arising from such translation are recorded under other comprehensive income and reserve held for sale. These translation differences are reviewed and monitored on a regular basis and the sale transaction is expected to be completed within the next 12 months.

The carrying amount of foreign currency denominated monetary liabilities at the reporting date:

	2021 RM'000	2020 RM'000 (Restated)
Company		
Denominated in RMB		
Amounts owing to subsidiaries	39,185	36,743
	========	========

A 10% strengthening of the RM against RMB at the end of the reporting period would have increased/(decreased) post-tax loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variances, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

Company	1.7.2020 to 31.12.2021 RM'000	1.7.2019 to 31.12.2020 RM'000 (Restated)
Impact on loss before tax:		
RMB	2,978	2,792
	========	========

A 10% weakening of RM against RMB at the end of the reporting period would have had the opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant. In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

28. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

The earliest period that the financial guarantee as disclosed in note 28(a) could be called, if any is within 1 year from the reporting date.

The Group's and the Company's all other financial liabilities as at the end of the reporting period are expected to be settled within one year (30.6.2020: 1 year).

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that business units within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. No changes were made in the objectives, policies or processes during the financial period.

As disclosed in Note 16, subsidiary in the PRC is required to contribute to and maintain a non-distributable statutory reserve whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiary for the financial period ended 31 December 2021 and financial year ended 30 June 2020.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total external debts from financial institutions divided by total equity attributable to owners of the Company.

29. CAPITAL MANAGEMENT (CONT'D)

	31.12.2021 RM'000	30.6.2020 RM'000 (Restated)
Group continuing operations		
Bank borrowing	8,000	7,750
Less: Cash and cash equivalents	(13,357)	(8)
(Surplus)/debts	(5,357)	7,742
Total equity attributable to owners of the Company	127,350	124,588
Gearing ratio	#	6.2%

The gearing ratio is not applicable as the cash and cash equivalents from continuing operations as at 31 December 2021 is sufficient to cover the entire borrowing obligation.

30. CAPITAL COMMITMENTS

	31.12.2021 RM'000	30.6.2020 RM'000
Group		
Approved and contract for:		
Acquisition of 24% additional equity interest in DVSB	-	5,925
Development costs	168	-

31. SEGMENT INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to management as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

(a) Segments

The reportable segments are as follows:

(i) Production and sale of fabric products

Production of customised woven loom-state fabrics made from cotton, synthetic and mixed yarn.

31. SEGMENT INFORMATION (CONT'D)

(a) Segments (cont'd)

(ii) Project management services and infrastructure construction

Provision of project management services and construction of infrastructure.

(iii) Mobile and digital solutions

Development, operations and maintenance of mobile messaging and mobile payment applications.

(iv) Investment

Investment holding and management services.

31. SEGMENT INFORMATION (CONT'D)

(b) Business segments

1.7.2020 to 31.12.2021	Production and sale of fabric products (discontinued) RM'000	Project management services and infrastructure construction (continuing) RM'000	Mobile and digital solutions (continuing) RM'000	Investment (continuing) RM'000	Consolidated RM'000
Revenue	104,425	15	8,076	186	112,702
Represented by:					
Revenue recognised at a point in time					
- sale of goods	104,425	-	-	-	104,425
- rendering of services	-	-	8,076	-	8,076
Revenue recognised over time					
- contract revenue	-	15	-	-	15
Revenue from other sources	-	-	-	186	186
					112,702
Results					
Segment profit/(loss)	23,804	(19)	(148)	(14,858)	8,779
Consolidated adjustment	-	-	-	-	(36,168)
Consolidated loss before tax					(27,389)

31. SEGMENT INFORMATION (CONT'D)

1.7.2020 to 31.12.2021	Production and sale of fabric products (discontinued) RM'000	Project management services and infrastructure construction (continuing) RM'000	Mobile and digital solutions (continuing) RM'000	Investment (continuing) RM'000	Consolidated RM'000
Included in the measure of segment profit/(loss)					
Amortisation of development costs	-	-	219	-	219
Depreciation of property, plant and equipment	-	-	16	-	16
Dividend income	(3,161)	-	-	-	(3,161)
Impairment loss on goodwill	-	-	-	20,352	20,352
Interest expense	-	-	-	588	588
Interest income	(6,202)	-	-	(186)	(6,388)
Inventories written back	(1,088)	-	-	-	(1,088)
Loss on disposal of a subsidiary	-	-	-	862	862
Short term lease income	(1,041)	-	-	-	(1,041)
Rental of short-term assets	-	-	38	-	38
Loss allowance on trade receivables	188	-	-	-	188
Loss on re-measurement to fair value less cost to sell	5,018	-	-	-	5,018
Loss on disposal of property, plant and equipment	685	-	-	-	685
Property, plant and equipment written off	767	-	-	-	767
Share of result of joint ventures	923	-	(445)	-	478
Waiver of debts from a director	-	-	-	(64)	(64)

31. SEGMENT INFORMATION (CONT'D)

1.7.2020 to 31.12.2021	Production and sale of fabric products (discontinued) RM'000	Project management services and infrastructure construction (continuing) RM'000	Mobile and digital solutions (continuing) RM'000	Investment (continuing) RM'000	Consolidated RM'000
Segment assets	157,833	-	7,415	16,732	181,980
Development costs	-	-	2,397	-	2,397
Goodwill	-	-	4,110	-	4,110
					188,487
Segment liabilities	16,735	-	7,183	42,292	66,210
1.7.2019 to 30.6.2020					
Revenue	93,887	8,609	-	42	102,538
Represented by:					
Revenue recognised at a point in time					
- sale of goods	93,887	-	-	-	93,887
Revenue recognised over time					
- contract revenue	-	8,489	-	-	8,489
- rendering of services	-	120	-	-	120
Revenue from other sources	-	-	-	42	42
					102,538

31. SEGMENT INFORMATION (CONT'D)

1.7.2019 to 30.6.2020	Production and sale of fabric products (discontinued) RM'000	Project management services and infrastructure construction (continuing) RM'000	Mobile and digital solutions (continuing) RM'000	Investment (continuing) RM'000	Consolidated RM'000
Results					
Segment profit/(loss)	58	91	-	(1,114)	(965)
Consolidated adjustments	-	-	-	-	140
Consolidated loss before tax	-	-	-	-	(825)

31. SEGMENT INFORMATION (CONT'D)

1.7.2019 to 30.6.2020 (Restated)	Production and sale of fabric products (discontinued) RM'000	Project management services and infrastructure construction (continuing) RM'000	Mobile and digital solutions (continuing) RM'000	Investment (continuing) RM'000	Consolidated RM'000
Included in the measure of segment profit/(loss)					
Interest expense	-	-		3	3
Interest income	(1,873)	-	-	(129)	(2,002)
Inventories written down	2,054	-	-	-	2,054
Loss allowance for trade receivables	1,953	-	-	-	1,953
Loss on re-measurement to fair value less costs to sell	823	-	-	-	823
Net unrealised loss on foreign exchange	196	-	-	198	394
Property, plant and equipment written off	144	-	-	-	144
Short term lease income	(598)	-	-	-	(598)
Share of result of joint ventures	(2,173)	-	-	109	(2,064)
Segment assets	123,531	19,761	-	14,404	157,696
Goodwill	-	-	15,113	-	15,113
					172,809
Segment liabilities	11,759	18,746	-	14,564	45,069

31. SEGMENT INFORMATION (CONT'D)

(c) Geographical areas

The geographical information on the revenue of the Group based on geographical location of its customers is as follows:

	31.12.2021 RM'000	30.6.2020 RM'000
Continuing operations		
Malaysia	8,277	8,651
Discontinued operations		
PRC	104,425	93,887
	112,702	102,538

The information on the disaggregation of revenue based on geographical region is summarised below:

1.7.2020 to 31.12.2021	At a point in time RM'000	Overtime RM'000	Other sources RM'000	Total RM'000
Continuing operations				
Malaysia	8,076	15	186	8,277
Discontinued operations				
PRC	104,425	-	-	104,425
	112,501	15	186	112,702

1.7.2019 to 30.6.2020				
Continuing operations				
Malaysia	-	8,609	42	8,651
Discontinued operations				
PRC	93,887	-	-	93,887
	94,007	8,609	42	102,538

31. SEGMENT INFORMATION (CONT'D)

(c) Geographical areas (cont'd)

Major customer

The following is major customer with revenue equal or more than 10% of the Group's total revenue:

	Revenue 1.7.2020 to 31.12.2021 RM'000	Revenue 1.7.2019 to 30.6.2020 RM'000 (Restated)	Segment
Malaysia			
Customer A	6,617	-	Mobile and digital solutions
PRC			
Customer A	15,343	9,130	Production and sale of fabric products
Customer B	13,273	9,189	
Customer C	13,246	13,155	
	========	========	

32. COMPARATIVES AND RESTATEMENTS

(a) On 23 February 2021, the Company has changed its financial year end from 30 June to 31 December to streamline with the financial year end of the operating subsidiary. Therefore, the comparative for the statement of total comprehensive income, statement of changes in other equity and statement of cash flows for the previous financial (12) twelve months ended 30 June 2020 are hence not comparable to that for the current financial period of (18) eighteen months ended 31 December 2021.

(b) As disclosed in note 7(c), the Group has finalised the purchase price allocation of acquisition of TAS. Accordingly, the effects of the restatement to the financial statements of the Group, are as follow:

	As previously reported RM'000	Adjustment RM'000	As restated RM'000
Continuing operations			
At 30.6.2020			
Group			
Statements of financial position			
Property, plant and equipment	187	(187)	-
Goodwill	14,827	286	15,113
Investment in joint ventures	13,611	377	13,988
Other receivables, deposits and prepayments	1,527	(589)	938
Cash and bank balances	187	(179)	8
Other payables and accruals	6,853	(16)	6,837
Non-controlling interest	3,428	(276)	3,152
1.7.2019 to 30.6.2020			
Statements of cash flows			
Investing activities			
Acquisition of a subsidiary, net of cash and cash equivalents acquired	(911)	(179)	(1,090)
Net cash used in investing activities	(29,637)	(350)	(29,987)

(c) Certain comparatives figures were reclassified to conform with current's financial period presentation.

	As previously reported RM'000	reclassification RM'000	As restated RM'000
1.7.2019 to 30.6.2020			
Statements of cash flows			
Operating activities			
Net cash used in investing activities	18,203	171	18,374

33. EVENTS OCCURRING DURING AND AFTER THE REPORTING PERIOD

(a) The Covid-19 pandemic resulted in traveling restrictions and slowdown in global economy. The Covid-19 pandemic continued to be a worldwide concern with the emergence of new variants of the virus. To ensure the continuity of business operations of the Group, management have implemented adequate safety protocols to minimise any possible disruptions from Covid-19 pandemic and to ensure the sustainability of its business operation. The carrying amounts of the Group's assets and liabilities as at the balance sheet date have been reviewed and found to be appropriate taking into consideration of any possible impact of Covid-19 pandemic. However, as the global Covid-19 situation remains fluid at the date of the financial statements, management cannot reasonably ascertain the full extent of probable impact, if any, to Group's financial results for future periods.

(b) On 19 January 2022, GIL and the Company has mutually agreed to further extend the Cut-Off Date of the Supplemental Disposal SSA till 19 July 2022 ("Extended Cut-Off Date"), to enable the parties to fulfil the conditions of the SSA and Supplemental Disposal SSA.

If the Company shall, for any reasons be unable to complete condition on or before the Extended Cut-Off Date, the Company has to obtain a separate written consent from GIL for further extension and there may be compensation payable by the Company to GIL to be mutually agreed between GIL and the Company.

34. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 6 May 2022.

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, Sabri bin Ab Rahman and Datuk Ng Bee Ken, being two of the directors of Pertama Digital Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 58 to 142 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial period from 1 July 2020 to 31 December 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

SABRI BIN AB RAHMAN	DATUK NG BEE KEN
Director	Director

PERTAMA DIGITAL BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Sabri bin Ab Rahman (NRIC No. 590730-03-5567), being the director primarily responsible for the financial management of Pertama Digital Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 58 to 142 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Sabri bin Ab Rahman at Kuala Lumpur in the Federal Territory this	SABRI BIN AB RAHMAN

Before me:
FARAH NADIAH BINTI
ZAINUDDIN
Commissioner for Oath

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2021

Location	Description	Area	Use of the land / building	Tenure	Net Book Value	
					RMB'000	RM'000
Huaying Village, Lili Town, Wujiang City, Jiangsu Province, PRC (Now known as Fenhu Economic Development Zone, Wujiang City, Jiangsu Province, PRC)	Land	81,790 square meters	Industrial	50 years expiring on 20/4/2056	9,760	6,395
	Factory Building and employees' dormitory	30,195 square meters	Industrial	50 years expiring on 20/4/2056	30,652	20,083
	A warehouse building	31,517 square meters	Industrial	50 years expiring on 20/4/2056	28,989	18,994
Wujiang City Chamber of Commerce Center Ren Min Lu Nan Chang An Lu Xi	One floor of Wujiang City Chamber of Commerce Center	1,500 square meters	Office	50 years expiring on 23/11/2052	6,269	4,107

Notes:

The exchange rate used in the translation of the above financial information is summarised as below:

RMB 1: RM0.6552 at 31 December 2021

PERTAMA DIGITAL BERHAD

ANALYSIS OF SHAREHOLDINGS AT 8 APRIL 2022

Total number of issued shares	:	433,360,812 Ordinary Shares
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Holders		Number of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	621	1	30,317	75	0.01	0.00
100 – 1000	624	6	273,393	4,335	0.06	0.00
1,001 – 10,000	1,153	12	6,069,445	57,645	1.40	0.01
10,001 – 100,000	566	5	18,462,504	161,010	4.26	0.04
100,001 to less than 5%	208	8	176,409,828	4,821,860	40.71	1.11
5% and above	1	2	22,100,000	204,970,400	5.10	47.30
Total	**3,173**	**34**	**223,345,487**	**210,015,325**	**51.54**	**48.46**

SUBSTANTIAL SHAREHOLDERS (Based on the Register of Substantial Shareholders)

Name	Direct		Indirect	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Gifted Investments Limited	110,125,000	25.41	-	-
Pan Ding	-	-	110,125,000^	25.41
Perfect Hexagon Commodity & Investment Bank Limited	94,845,400	21.89	-	-
Perfect Hexagon Limited	-	-	94,845,400*	21.89
Sim Tze Shiong	-	-	94,845,400*	21.89
Sabri Bin Ab Rahman	50,860,438	11.74	-	-
Dato' Ahmad Nazri Bin Abdullah	22,320,000	5.15	-	-

DIRECTORS' SHAREHOLDINGS (Based on the Register of Directors' Shareholdings)

Name	Direct Number of Shares	% of Issued Share Capital	Indirect Number of Shares	% of Issued Share Capital
Pan Ding	-	-	110,125,000^	25.41
Sabri Bin Ab Rahman	50,860,438	11.74	70,000,000[& +]	16.15
Tun Dato' Seri Zaki Bin Tun Azmi	-	-	4,860,000[#]	1.12

Note:

[&] Deemed interested through Gifted Investments Limited by virtue of Section 8 of the Companies Act 2016

** Deemed interested through Perfect Hexagon Commodity & Investment Bank Limited by virtue of Section 8 of the Companies Act 2016*

+ Right to become holder through the Share Sales Agreements entered into with Gifted Investments Limited

[#] Deemed interested through shareholding of spouse by virtue of Section 59(11) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS
THIRTY (30) LARGEST SHAREHOLDERS AS AT 8 APRIL 2022

	Name of Shareholders	Number of Shares	%
1	Gifted Investments Limited	110,125,000	25.41
2	CGS-CIMB Nominees (Asing) Sdn. Bhd. For Perfect Hexagon Commodity & Investment Bank Limited	94,845,400	21.89
3	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ahmad Nazri bin Abdullah	22,100,000	5.10
4	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. For Perfect Hexagon Limited for Keith Kok Chee Shiong	21,526,400	4.97
5	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. For Perfect Hexagon Limited for Teo Guan Kee	21,100,000	4.87
6	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. For Perfect Hexagon Commodity & Investment Bank Limited for Sabri Bin Ab Rahman	20,000,000	4.62
7	Amir Fazly Bin Ahmad Nazri	9,313,500	2.15
8	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. For Perfect Hexagon Limited for Eng Soon Huat	9,100,000	2.10
9	Nik Sazlina Binti Mohd Zain	4,860,000	1.12
10	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Yee Voon	3,750,000	0.87
11	Chan Kong Yew	3,386,500	0.78
12	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chan Kong Yew	2,680,000	0.62
13	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Yee Ling	2,600,000	0.60
14	Che Umar Bin Yatim	2,033,000	0.47
15	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - AMBank (M) Berhad for Abdel Aziz @ Abdul Aziz Bin Abu Bakar (SMART)	2,000,000	0.46
16	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Yong Wah	1.900,000	0.44
17	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Soon Tiang	1,900,000	0.44
18	Fu, Jun	1,650,000	0.38
19	Lim Siew Ching	1,535,300	0.35
20	Lim Hong Hsiung	1,360,000	0.31
21	Ng Ean Hooi	1,296,500	0.30
22	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Yong Wah	1,030,000	0.24
23	Julie Binti Ulasi	1,000,000	0.23
24	Moi Tai @ Loy Shue Hua	1,000,000	0.23
25	Quek Yong Wah	1,000,000	0.23
26	Tan Choon Ling	1,000,000	0.23
27	Tiu Kee Guan	945,000	0.22
28	Thian Soon Onn	900,000	0.21
29	Cartaban Nominees (Asing) Sdn. Bhd.	859,900	0.20
30	Tan Li Li	834,300	0.19

PERTAMA DIGITAL BERHAD
Registration No. 198401002327 (114842-H)
(Incorporated in Malaysia)

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh Annual General Meeting of the Company ("37th AGM" or "Meeting") will be held on a hybrid basis (in-person and virtual) from the Broadcast and Meeting Venue at Pentas 1, The Kuala Lumpur Performing Arts Centre, Sentul Park, Jalan Strachan, Off Jalan Sultan Azlan Shah, 51100 Kuala Lumpur and through live streaming and online remote voting using Remote Participation and Voting facilities via https://web.vote2u.my (Domain Registration No. D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Monday, 27 June 2022 at 10.00 a.m. or at any adjournment thereof to transact the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial period ended 31 December 2021 together with the Reports of Directors and Auditors thereon. *(Please refer to Notes)*

2. To approve the payment of Directors' fees and benefits of up to an amount of RM270,000 from 28 June 2022 until the next Annual General Meeting of the Company. *Ordinary Resolution 1*

3. To re-elect the following Directors who retire in accordance with the Company's Constitution:

   (a) Mr. Pan Ding (Article 107(1)(b)) *Ordinary Resolution 2*
   (b) Mr. Low Yan Seong (Article 107(1)(b)) *Ordinary Resolution 3*
   (c) Encik Sabri Bin Ab Rahman (Article 100) *Ordinary Resolution 4*
   (d) Dato' Dr Suhazimah Binti Dzazali (Article 100) *Ordinary Resolution 5*
   (e) Mr. Wong Yoke Nyen (Article 100) *Ordinary Resolution 6*
   (f) Mr. Abel Goon Chun Hoe (Article 100) *Ordinary Resolution 7*

4. To appoint Auditors and authorise the Directors to determine their remuneration. *Ordinary Resolution 8*

As Special Business:

5. To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

   PROPOSED RETENTION OF DATUK NG BEE KEN AS INDEPENDENT NON-EXECUTIVE DIRECTOR *Ordinary Resolution 9*

   "THAT Datuk Ng Bee Ken who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."

   PROPOSED RETENTION OF WAN KAMARUL ZAMAN BIN WAN YAACOB AS INDEPENDENT NON-EXECUTIVE DIRECTOR *Ordinary Resolution 10*

   "THAT Encik Wan Kamarul Zaman Bin Wan Yaacob who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."

   PROPOSED RETENTION OF LOW YAN SEONG AS INDEPENDENT NON-EXECUTIVE DIRECTOR *Ordinary Resolution 11*

   "THAT Mr. Low Yan Seong who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."

AUTHORITY TO ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016

"THAT subject always to the Companies Act 2016 ("Act") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to the Act, to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." *Ordinary Resolution 12*

6. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

KANG SHEW MENG (SSM PC No. 201908002065)
SEOW FEI SAN (SSM PC No. 201908002288)
Secretaries

Petaling Jaya

9 May 2022

NOTES TO THE NOTICE OF THE 37TH AGM:

Proxy

1. *Only depositors whose names appear in the Record of Depositors as at 20 June 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.*

2. *A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his / her behalf. A proxy may but need not be a member of the Company.*

3. *A member may appoint up to two (2) proxies to attend the Meeting. Where a member appoints two (2) proxies, he / she shall specify the proportions of his / her holdings to be represented by each proxy.*

4. *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member of the Company is an Exempt Authorised Nominee 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.*

6. *The instrument appointing a proxy ("Proxy Form") shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised or in some other manner approved by its directors.*

7. *The Proxy Form must be deposited/submitted via the following manners not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof:*

   (i) By hardcopy form

   The Proxy Form must be deposited at the Company's registered office at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

   (ii) By electronic form

   The e-Proxy Form can be electronically submitted/lodged via the RPV Online portal at https://web.vote2u.my (applicable to individual shareholders only). Please refer to the Administrative Guide for the procedures on electronic lodgement of Proxy Form.

Audited Financial Statements for the Financial Period Ended 31 December 2021

The Audited Financial Statements for the financial period ended 31 December 2021 covering the financial period of 18 months due to the change of the Company's financial year end from 30 June to 31 December. Members' approval on the audited financial statements is not required and the same is for discussion only. Hence, the matter will not be put for voting.

Ordinary Resolution 1
Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the members' approval shall be sought at the 37th AGM for payment of Directors' fees and benefits (meeting allowance).

The Directors' fees and benefits payable to the Non-Executive Directors from 28 June 2022 until the conclusion of the next annual general meeting ("AGM") ("Mandate Period") is estimated not to exceed RM270,000 ("2022 Mandate Limit"). The Board will seek members' approval at the next AGM in the event the 2022 Mandate Limit is insufficient to pay the Non-Executive Directors for their services for the Mandate Period.

The Proposed Payment of Directors' Fees and Benefits, if approved by the members, will empower the Board to pay the Directors' fees and benefits to the Non-Executive Directors of the Company on a monthly basis and/or as and when incurred for services rendered by the Non-Executive Directors throughout the Mandate Period.

The Board will seek members' approval at the next AGM in the event the amount of Directors' fees and benefits is insufficient.

Ordinary Resolutions 9 to 11
Proposed Retention of Independent Non-Executive Directors

The proposed Ordinary Resolutions 9 to 11 are proposed pursuant to Article 107(2) of the Company's Constitution whereby an independent director who has served for a cumulative term of nine (9) years shall be subject to annual re-appointment by the members at annual general meeting by way of an ordinary resolution and if passed, will allow Datuk Ng Bee Ken, Encik Wan Kamarul Zaman Bin Wan Yaacob and Mr. Low Yan Seong to be retained and continue to act as Independent Non-Executive Directors of the Company ("Retention").

The full details of the Board's justifications for the Retention are set out in the Corporate Governance Overview Statement as contained in Annual Report 2021.

Ordinary Resolution 12
Authority to Allot Shares Pursuant to the Companies Act 2016

The proposed Ordinary Resolution 12, if passed, will empower the Directors of the Company to allot not more than 10% of the total number of issued shares of the Company subject to approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company. This authorisation will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future business expansion and investment activities/projects, working capital, repayment of bank borrowing and/or acquisitions.

As at the date of printing of this Annual Report, no new shares in the Company were issued pursuant to the authority granted to the Directors at the 36th AGM held on 8 December 2020, which will lapse at the conclusion of the 37th AGM.

Other Information

As the 37th AGM will be conducted on a hybrid basis, members and proxies are welcomed to attend the meeting in-person at the Broadcast and Meeting Venue. However, for members and proxies who are unable to present physically, they can join the meeting online through live streaming.

FORM OF PROXY

CDS Account No.	No. of Shares Held

I/We ....(BLOCK LETTERS)
NRIC No. /Registration No. ....of
....
being (a) Member(s) of **PERTAMA DIGITAL BERHAD (Registration No. 198401002327 (114842-H))** hereby appoint the following person(s):

Proxy 1	**Proxy 2**
Name:	Name:
NRIC No.:	NRIC No.:
Email:	Email:
No. of shares to be represented:	No. of shares to be represented:

or failing him/her,

Proxy 1	**Proxy 2**
Name:	Name:
NRIC No.:	NRIC No.:
Email:	Email:
No. of shares to be represented:	No. of shares to be represented:

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held on a hybrid basis (in-person and virtual) from the Broadcast and Meeting Venue at Pentas 1, The Kuala Lumpur Performing Arts Centre, Sentul Park, Jalan Strachan, Off Jalan Sultan Azlan Shah, 51100 Kuala Lumpur and through live streaming and online remote voting using Remote Participation and Voting facilities via https://web.vote2u.my (Domain Registration No. D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Monday, 27 June 2022 at 10.00 a.m. and at any adjournment thereof and to vote as indicated below:

RESOLUTIONS	**FOR**	**AGAINST**
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this .... day of ...., 2022

____
Signature / Seal of Member

***Notes**:*

2. *Only depositors whose names appear in the Record of Depositors as at 20 June 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.*

2. *A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his / her behalf. A proxy may but need not be a member of the Company.*

3. *A member may appoint up to two (2) proxies to attend the Meeting. Where a member appoints two (2) proxies, he / she shall specify the proportions of his / her holdings to be represented by each proxy.*

4. *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member of the Company is an Exempt Authorised Nominee 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.*

6. *The instrument appointing a proxy ("Proxy Form") shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised or in some other manner approved by its directors.*

7. *The Proxy Form must be deposited/submitted via the following manners not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof:*

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PERTAMA DIGITAL BERHAD
Company No.: 198401002327 (114842-H)

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17, Jalan SS7/26, 47301 Petaling Jaya, Selangor.