

# Sustainability Statement



**Tech-Enabled Ventures** : Empowering local entrepreneurs in the digital economy

# Sustainability Statement

At Pertama Digital, we are embarking on a new journey in Environmental, Social and Governance (“ESG”) reporting, recognising the importance of transparent and accountable business practices in today’s dynamic landscape. While Pertama Digital is new in this arena, our commitment to sustainability remains unwavering, and we are dedicated to integrating ESG principles into our operations and decision-making processes.

As we venture into ESG reporting, we understand the significance of establishing a strong foundation. Our initial focus will be on identifying key areas where we can make meaningful contributions to environmental conservation, social well-being, and governance standards. Through meticulous assessment and engagement with stakeholders, we aim to prioritise initiatives that align with our values and have a tangible impact on both our business and the communities we serve. With a spirit of learning and collaboration, we are committed to evolving our sustainability practices to meet the evolving needs of our stakeholders and create lasting value for generations to come.

## Sustainability Report

### Scope of the Report

The report covers the Group, detailing our primary endeavors in delivering mobile telecommunications services and alternative payment solutions services. Revenue generated from other business segments within the Group constitutes a negligible proportion of the total revenue and has minimal influence on the overall performance. Consequently, these segments are excluded from the scope of this report.

The Report is prepared in reference to the principles of:

- Sustainability Reporting Guide (3rd Edition) (“Sustainability Reporting Guide”), issued by Bursa Securities;
- MMLR (particularly Paragraph (30) of Appendix 9C (supplemented by Guidance Note 11)), issued by Bursa Securities; and
- Sustainability Reporting Standards core option, published by Global Reporting Initiative.

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## **Commitment to Sustainability**

Pertama Digital recognises the multifaceted importance of sustainability, extending beyond financial metrics to encompass environmental stewardship and societal well-being. Acknowledging the significant weight investors place on sustainability considerations in their decision-making processes, Pertama Digital is committed to fostering transparency and accountability in this regard.

Aligned with the guidelines set forth in the Sustainability Reporting Guide, Pertama Digital has integrated sustainability principles into its operational framework. This strategic integration ensures that the organisation effectively manages ESG risks and opportunities, thereby enhancing organisational resilience and public perception.

Pertama Digital actively seeks to minimise its environmental footprint while concurrently engaging in community support initiatives. The sustainability of the Group's business and its capacity to generate enduring value for shareholders are contingent upon a spectrum of internal and external factors. Each material factor introduces distinct risks and opportunities to our organisation, exerting significant influence on our strategic formulation and execution. These considerations are pivotal in shaping stakeholder perceptions and decisions. The Group has begun to undertake regular reviews of these factors to evaluate their ramifications on its business model across near, medium, and long-term horizons.

## Key Areas of Sustainability

### Governance

#### Corporate Governance

Pertama Digital's sustainability is seamlessly woven into its operational approach, championed by the Board, alongside the management of Pertama Digital ("Management") which assumes a pivotal role in guiding and overseeing sustainability initiatives across the organisation. It is imperative for the Board to possess a nuanced understanding of sustainability to effectively integrate sustainability considerations into strategic decision-making processes. Equipped with a solid grasp of sustainability fundamentals, the Board is empowered to pose relevant inquiries and align sustainability with business objectives and strategic decision-making.

Furthermore, the Board acknowledges the critical importance of risk management and internal controls within the Group's corporate governance framework. It is tasked with establishing a robust risk management framework and internal control system, ensuring their adequacy and effectiveness. Oversight of the adequacy and effectiveness of these systems is delegated to the Audit Committee.

The Audit Committee also plays a vital role in tracking the Group's performance, including its approach to addressing material sustainability risks and opportunities. It oversees processes related to producing financial data, developing investment packages, and ensuring competitive remuneration packages to foster the Group's growth.

The responsibility of promoting and embedding sustainability within the Group falls squarely on the shoulders of the Board. This encompasses overseeing stakeholder engagement, conducting materiality assessments, managing sustainability risks and opportunities, and communicating sustainability strategies and performance to internal and external stakeholders. The Board delegates the management of sustainability initiatives to the Management, who ensures sustainability considerations are integrated into the Group's standard operating procedures and policies.

## Key Areas of Sustainability

### Governance

#### Ethical Business Practices and Anti-Corruption Policy

The Board recognises the paramount importance of fostering ethical business practices throughout our organisation to maintain the trust of our stakeholders. Pertama Digital is committed to upholding the highest standards of integrity in all facets of its operations, as delineated in its Code of Business Conduct.

Demonstrating our firm stance against bribery and corruption, the Group has instituted and embraced an Anti-Corruption Policy. The Group commits to maintain a zero-tolerance stance against all forms of bribery and corruption, conducting our business ethically and in full compliance with relevant laws. This policy extends its applicability to the Board, our esteemed employees, and any affiliated third parties.

Pertama Digital demonstrates its commitment to ethical conduct from the outset, ensuring that all employees undergo comprehensive training on its Anti-Corruption Policy, alongside the Code of Business Conduct, on an annual basis. Notably, there were no reported complaints of bribery or corruption throughout the fiscal year ended 2023.

"Agenda 2030," adopted by all 193 United Nations member states in September 2015, presents a comprehensive plan to address the world's most pressing economic, environmental, and social ("EES") challenges over the next 15 years. Comprising 17 goals and 169 targets, this agenda encompasses a wide array of issues ranging from economic inclusion and geopolitical stability to environmental conservation and climate change mitigation. Malaysia has committed itself to the pursuit of "Agenda 2030" through its Sustainable Development Goals ("SDG") Roadmap.

We fully endorse the SDGs and recognise their profound significance, both for our business and for the global community. Consequently, we are steadfast in our determination to contribute to their realisation. The Group aims to form robust initiatives aimed at fostering sustainable and responsible operations, aligning with our enduring commitment to ethical corporate citizenship and sustainability promotion across all facets of our activities. While all SDGs bear relevance to our operations to varying degrees, we prioritise our efforts towards goals where we can maximise our impact and affect meaningful change.

## **Key Areas of Sustainability**

### **Governance – cont'd**

#### **Ethical Business Practices and Anti-Corruption Policy – cont'd**

Through focused action and strategic alignment with the SDGs, we strive to play our part in advancing sustainable development and creating a better world for all. our key focus will be on:

##### **A. Decent Work and Economic Growth**

A clear way for Pertama Digital to help achieve the SDGs is by growing its business. Pertama Digital aims to ensure the growth does not harm the planet or the people of Malaysia, especially its employees.

Pertama Digital aims to create a lively and successful organisation by hiring and supporting talented individuals, providing employees with opportunities to excel, improving our leadership, and promoting a culture of high performance.

Pertama Digital is committed to providing a safe and fair workplace, offering equal chances for all employees to grow and succeed, regardless of gender, ethnicity, or physical ability. The goal is to build a diverse workforce with thorough training and plans for future leaders, ensuring everyone feels included and driving sustainable growth for the Group.

##### **B. Promote Sustainable Infrastructure and Innovation**

In the competitive business environment, delivering exceptional customer service is crucial for maintaining a competitive edge. Customer satisfaction plays a pivotal role in determining business success. The Group is dedicated to adopting a customer-centric approach, continuously expanding its offerings to meet evolving customer needs and enhance satisfaction.

Furthermore, the Group's business practices adhere to the guidelines outlined in the Malaysian Personal Data Protection Act 2010, ensuring responsible handling of personal data in collection, utilisation, and disclosure processes.

## **Key Areas of Sustainability**

### **Governance – cont'd**

#### **C. Minimise Inequality within the Group**

Having a diverse Board and Management team offers numerous advantages to a company, including a broader range of perspectives, enhanced decision-making, and increased performance in a dynamic business environment. Gender diversity, in particular, is crucial, as it brings unique viewpoints and skill sets to the forefront.

To promote gender diversity, companies should actively seek out and recruit qualified women candidates for the Board and Management roles. This can involve targeted outreach efforts, unbiased recruitment procedures, and mentorship and sponsorship programs aimed at supporting the growth and advancement of female leaders. By cultivating a more diverse and inclusive leadership team, companies can nurture a culture of innovation and drive sustainable business success.

#### **D. Sustainable Consumption and Production**

Pertama Digital is committed to responsible consumption and production, exemplified by our unique operational model. Operating on a hybrid basis and utilising shared workspaces, we prioritise efficiency and resource optimisation. With our primary products and services being digital, we significantly reduce our carbon footprint compared to traditional business models. By embracing digital solutions, we minimise waste and environmental impact while maximising accessibility and convenience for our customers. Through these initiatives, we demonstrate our dedication to sustainable practices and contribute to a greener, more environmentally conscious future.

Throughout the fiscal year, the Group's commitment to actively engaging with its stakeholders has remained crucial as part of its sustainability assessment process. By fostering dialogue with the stakeholders, the Group is able to enhance its understanding on material issues and concerns, and to address them effectively. This engagement also enables the Group to capture the significant aspects and impacts of its sustainability journey.

## Key Areas of Sustainability

### Governance – cont’d

#### D. Sustainable Consumption and Production – cont’d

The table below outlines the Group’s key stakeholder groups, their areas of interest, and the methods employed by the Board to engage with them:

Stakeholders	Engagement Methods	Engagement Areas
Shareholders	Annual and Extraordinary General Meetings	Financial and operational performance
	Press releases	Return on investments
	Bursa Securities announcements	Corporate governance
	Quarterly report	
	Annual report	
	Timely update on corporate website	
Government	Compliances to laws and regulations	Operation regulations
	Operation regulations	Bursa Securities listing requirements
	Bursa Securities listing requirements	Companies Act
	Companies Act	Labour law
	Labour law	Taxations
	Taxations	Anti-Bribery and Corruption
Board of Directors	Board meetings	Corporate strategy
	Corporate strategy	Corporate governance
Employees	Technical and skills trainings	Performance appraisal
	Performance appraisal	Team building activities
	Team building activities	Remuneration policy
	Remuneration policy	Career development
	Career development	Performance review



## Key Areas of Sustainability

### Governance

#### D. Sustainable Consumption and Production – cont’d

The table below outlines the Group’s key stakeholder groups, their areas of interest, and the methods employed by the Board to engage with them:

Stakeholders	Engagement Methods	Engagement Areas
Financial Matters	Bursa Securities announcements	Financial and operational performance
	Quarterly report	Funding requirement
	Annual report	
	Timely update on corporate website	
Customers (Dealers & Subscribers)	Website	After-sales services
	Social media	Customer satisfactions
	Company events	Quality assurance
Analyst/Media	Annual and Extraordinary General Meetings	Financial and operational performance
	Press conferences and media releases	General announcements
	Timely update on corporate website	

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## **Sustainability Risks and Responses**

The Board acknowledges the critical importance of addressing sustainability risks and opportunities in an integrated and strategic manner to uphold the Group's long-term strategy and success. Proactively considering sustainability issues, the Board oversees the planning, performance, and long-term strategy of the Group to ensure resilience, deliver enduring and sustainable value, and maintain stakeholder confidence.

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### **1. Cybersecurity Threats**

Cyber threats such as hacking, malware, phishing, and ransomware pose a significant risk to the Group's information technology ("IT") infrastructure, potentially resulting in data breaches, system downtime, and financial losses.

To mitigate these risks, the Group has looked into formulating comprehensive cybersecurity policies and procedures, including password guidelines, incident response protocols, and data backup and recovery plans. The Group is also looking into regularly conducts security audits to ensure compliance with data protection standards.

### **2. Competitive Risk**

The telecommunications sector, particularly mobile connectivity, is highly competitive. Digital technology adoption is increasing among consumers and businesses, presenting both opportunities and challenges.

To address competitive challenges, we are realigning our focus to become a technology solutions provider. This involves forming strategic partnerships to enhance our digital offerings. Our goal is to leverage advancements in digital technology to drive revenue growth and stay ahead in the industry.

### **3. Loss or Corruption of Data**

IT infrastructure risks, including hardware failures, software bugs, and human errors, pose a threat to data integrity and accessibility. Hardware failures can disrupt data access, while software bugs and human errors may compromise data accuracy and system stability.

To mitigate data loss or corruption risks, the Group implements routine data backup measures, and deploys system monitoring solutions to proactively identify abnormalities and prevent downtime.

#### **4. Unscheduled Downtime**

Unscheduled downtime resulting from hardware and software failures can lead to productivity loss, customer dissatisfaction, and revenue setbacks.

To minimise unplanned downtime, the Group implements measures such as routine system monitoring, regular updates to standard operating procedures, and designing an active-active distributed system architecture to enhance system uptime.

#### **5. Staff Engagement**

Maintaining staff engagement and supporting employee well-being while managing limited resources poses a challenge.

As such, the Group focuses on cultivating a high-performance culture, fostering workplace wellness, and providing robust training and succession plans to support staff engagement and adapt to evolving needs.

#### **6. Workplace Communication and Health**

The expectation for work-life balance and workplace health and safety has increased, particularly after the pandemic.

To address workplace wellness concerns, the Group prioritizes work-life balance initiatives such as remote working arrangement which promotes health and safety measures and supports employee well-being initiatives to create a dynamic and supportive workplace environment.



## **Economic**

As the ultimate proprietors of the Company, our shareholders' interests are paramount. Therefore, ensuring a robust and sustainable financial performance and position is a significant sustainability concern for the Group. We are dedicated to achieving economic growth that benefits our shareholders in the long term.

The Group acknowledges the importance of prioritising financial sustainability and views it as a crucial aspect of its operations. Our guiding principle is that long-term profitability and shareholder value are best achieved by considering the interests of all stakeholders, including shareholders, employees, suppliers, and the broader community.

By adopting a holistic approach that addresses the needs of all stakeholders, we aim to create sustainable value for our shareholders over time.

To promote transparency, shareholders have access to timely and high-quality information regarding the Group's financial performance and position. In addition to the Annual General Meeting, where shareholders can engage with the Board and Management on business operations and financial matters, Pertama Digital's corporate website provides a dedicated investor relations section. Here, matters pertaining to its corporate governance and industrial relation matters such as the policies, annual reports, and other relevant information are regularly updated to ensure shareholders are well-informed.

Pertama Digital is deeply committed to ensuring the well-being and satisfaction of both its shareholders and customers. Pertama Digital's pledge to serve the Malaysian citizens by providing products and services that helps ease some processes in their lives through innovative technological improvements.

In the dynamic landscape of modern business, providing exceptional customer service is paramount for sustaining competitiveness. Customer satisfaction serves as a cornerstone of success, and Pertama Digital is committed to upholding a customer-centric approach in all its endeavors. Pertama Digital aims to continuously diversify its range of products and services to meet the evolving needs and expectations of its clientele.

To optimise the customer support process, Pertama Digital has implemented streamlined procedures, assigning dedicated support agents to address specific categories of issues.

This ensures prompt responses and specialised assistance for various customer concerns. Furthermore, recognising the critical importance of safeguarding customer data, Pertama Digital places emphasis to prioritise its cybersecurity measures.

Pertama Digital aims to invest in comprehensive training programs for its IT professionals, equipping them with the necessary skills to address cybersecurity concerns effectively. This commitment underscores our dedication to protecting customer data and proactively preventing cyber threats.



## Environment

### Reduced Energy Consumption

In alignment with the Group's commitment to sustainability, the Group operates on a hybrid working arrangement and shares office space with other organisations provided by WORQ. This collaborative environment allows the Group to optimise energy consumption and minimise its environmental impact. By sharing resources with other companies, including energy usage, the Group contributes to lower overall energy consumption levels. As a result, our company continues to prioritize energy efficiency, fostering cleaner and more sustainable growth within our shared workspace environment.

### Improved Waste Management

The Group operates primarily in a digital environment, significantly reducing the need for paper consumption. The Group actively promotes electronic methods for document sharing and storage, prioritising digital alternatives over traditional printing or photocopying methods. This digital transition not only enhances efficiency but also significantly minimises paper waste, aligning with its commitment to sustainable consumption and production patterns.

Furthermore, emphasis is placed on digital operations extending to internal processes such as leave applications and access to payslips, eliminating the necessity for physical copies and further reducing paper usage. By embracing a paperless approach in board meetings through the utilisation of tablets and electronic document distribution methods, the Group continues to minimise its environmental footprint while fostering efficiency.

Moreover, the focus on digitalisation translates into less waste generation, as the reduction in paper consumption directly contributes to the Group's sustainability efforts.

Additionally, the Group actively promotes recycling and waste segregation practices within the shared workspace, further reinforcing its commitment to responsible resource management. Through these initiatives, the Group strives to uphold environmental stewardship and contribute positively to the sustainability cause.





### **Compliance with Standard Labor Practices**

Respecting fundamental human rights and ensuring a safe, non-discriminatory workplace is integral to our values. We uphold the freedom of employees to unionise in accordance with local laws and practices, and we are committed to preventing any violations of human rights or unfair treatment.

In addition, our employee benefits exceed minimum statutory requirements and include comprehensive healthcare and insurance coverage, leaves, statutory payments, and career development opportunities. Remuneration packages are determined based on factors such as experience, qualifications, and job grade, ensuring fair and competitive compensation for all employees.

### **Talent Development**

The Group recognises that its employees are its greatest assets and are dedicated to nurturing their growth and development. The Group's holistic approach to talent development includes individualised development plans, career growth opportunities, and the promotion of its organisational culture and values.

In response to the demands of the modern workplace, the Group actively encourages its employees to participate in training programs to enhance their skills and knowledge. The Group's commitment to talent development reflects its belief in continuous learning and growth for all members.

This is reflected in the training hours put in by our employees in order to develop their skills and knowledge in their respective fields.

During the financial period under review, the total training hours for external and internal training reached 350 hours. This is a significant step moving forward with implementation of ESG practices.

### Total Training Hours for External and Internal Training



Employee training plays a crucial role in ESG initiatives within the Group. By investing in the development of our workforce, we not only enhance their skills and knowledge but also align our practices with sustainable and ethical principles.

From an environmental perspective, training can foster awareness of sustainable practices, such as energy conservation, waste reduction, and eco-friendly operations. Through targeted training programs, employees can learn to minimise their environmental footprint, contributing to the Group's overall sustainability efforts.

On the social front, training promotes inclusivity, diversity, and employee well-being. By providing equal access to training opportunities and addressing unconscious biases, we create a more equitable workplace.

Furthermore, training on topics like diversity, harassment prevention, and mental health awareness fosters a supportive and respectful corporate culture.

From a governance standpoint, training ensures compliance with laws, regulations, and ethical standards. By educating employees on corporate governance practices, data privacy, and ethical decision-making, we strengthen our commitment to transparency, integrity, and accountability.

As part of our commitment to ESG, we aim to increase the number of training hours for our employees. By dedicating more resources to training initiatives, we empower our workforce to drive positive change within the Group and contribute meaningfully to our ESG goals. Through continuous learning and development, we strive to build a more sustainable, responsible, and resilient organisation.





## **Diversity and Inclusion**

We are committed to fostering an inclusive and diverse workplace culture, starting from our hiring practices. We recognise that diversity is not only essential for driving innovation and creativity but also reflects our values of equality and respect for all individuals.

In our hiring process, we actively seek candidates from diverse backgrounds, including different age groups, genders, and racial or ethnic identities. We believe that embracing diversity enriches our team's perspectives and enhances our ability to meet the diverse needs of our customers and stakeholders.

When it comes to age diversity, we value the unique experiences and perspectives that individuals from different generations bring to the table. By welcoming employees of all ages, we create a dynamic and inclusive work environment where knowledge-sharing and collaboration thrive.

Gender diversity is another key focus area for us. We strive to achieve gender balance across all levels of our organisation, from entry-level positions to leadership roles. By promoting gender equality and providing equal opportunities for advancement, we empower all employees to reach their full potential.

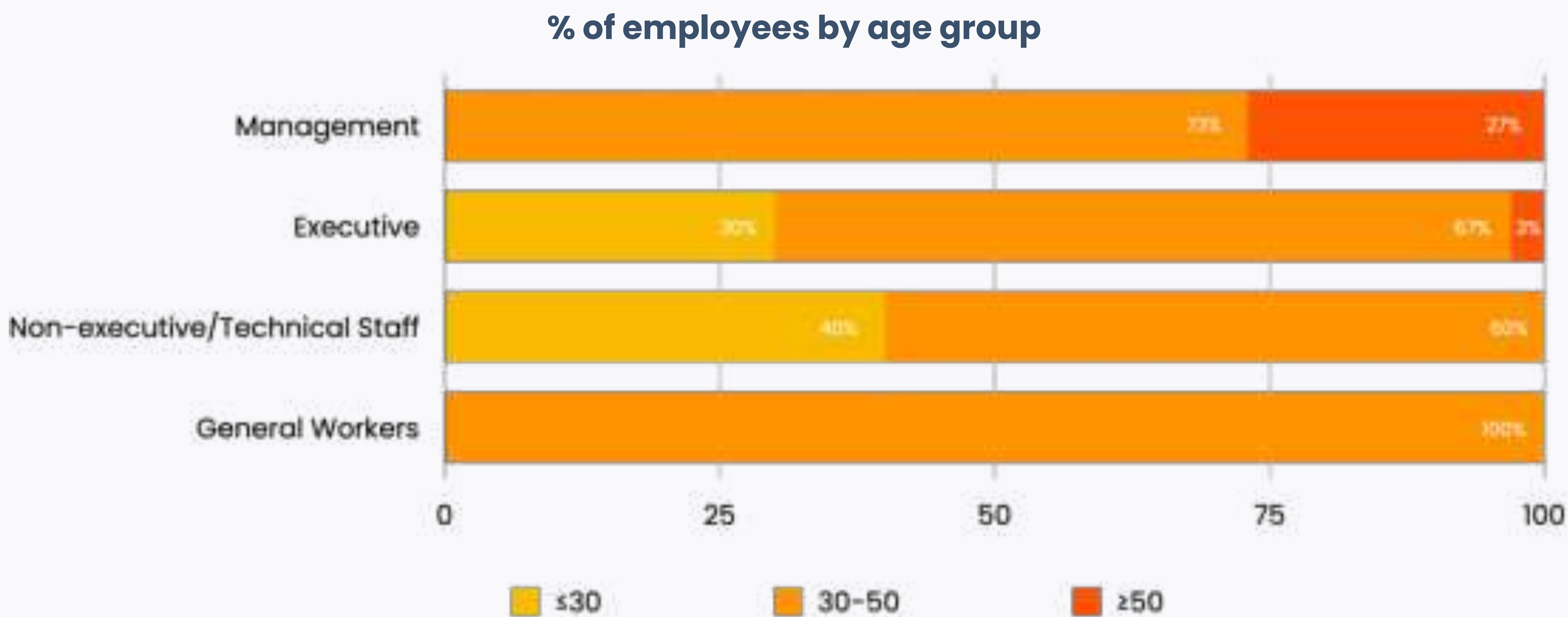
Furthermore, we are committed to racial and ethnic diversity within our workforce. We recognise the importance of representing diverse communities within our organisation and ensuring that all employees feel valued and respected regardless of their racial or ethnic background.

While we have made progress in building an inclusive and diverse workforce, we acknowledge that there is always room for improvement. As part of our ongoing efforts, we are dedicated to further diversifying our team and creating an environment where everyone feels welcome and included. We embrace individuals from all backgrounds and perspectives, and we are committed to fostering a culture of acceptance, respect, and belonging for all.

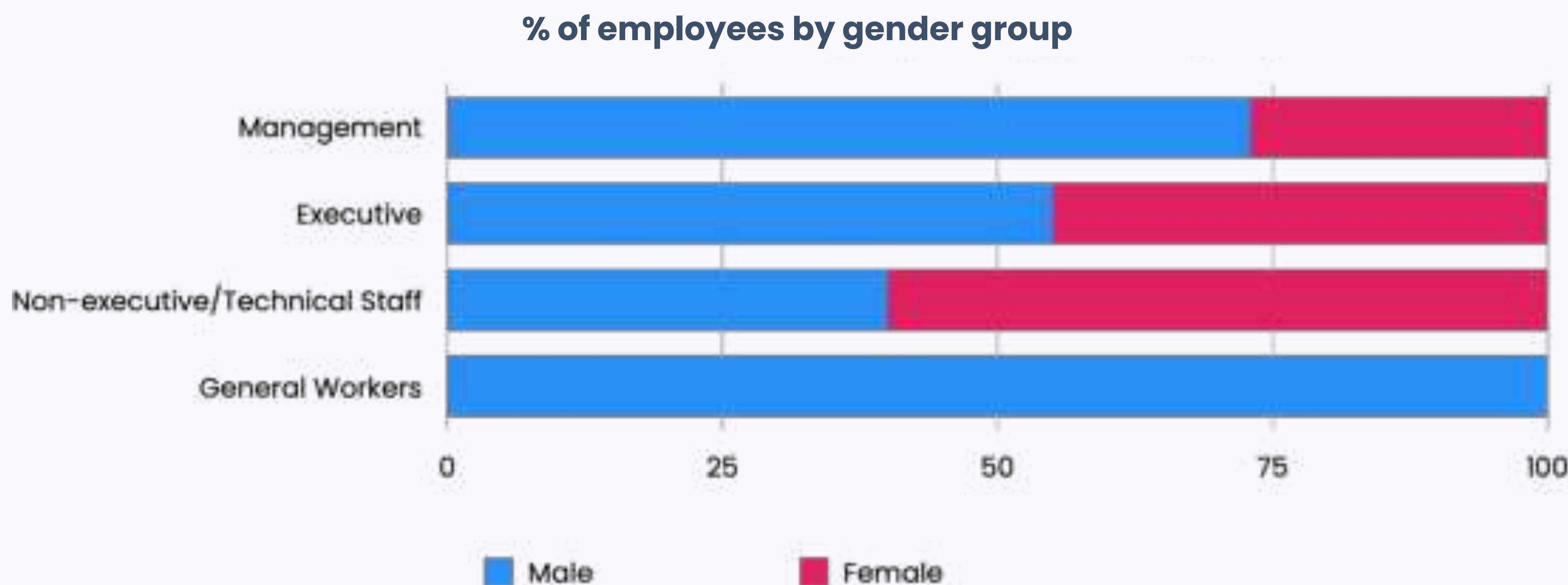
Throughout the financial period under review, our commitment to diversity and inclusion is evident through the composition of our workforce, as reflected in the graph below. We have made significant strides in achieving representation across various demographic groups, including age, gender, and race. Moving forward, we remain dedicated to further enhancing diversity and inclusion within our organization.

As per the Malaysian Code on Corporate Governance (“MCCG”) guidelines issued by Securities Commission Malaysia (“SC”), we aspire to meet the recommended percentages for diversity in our workforce. By continually striving to meet these benchmarks, we reaffirm our commitment to fostering an inclusive and equitable workplace where every individual is valued and empowered to succeed.

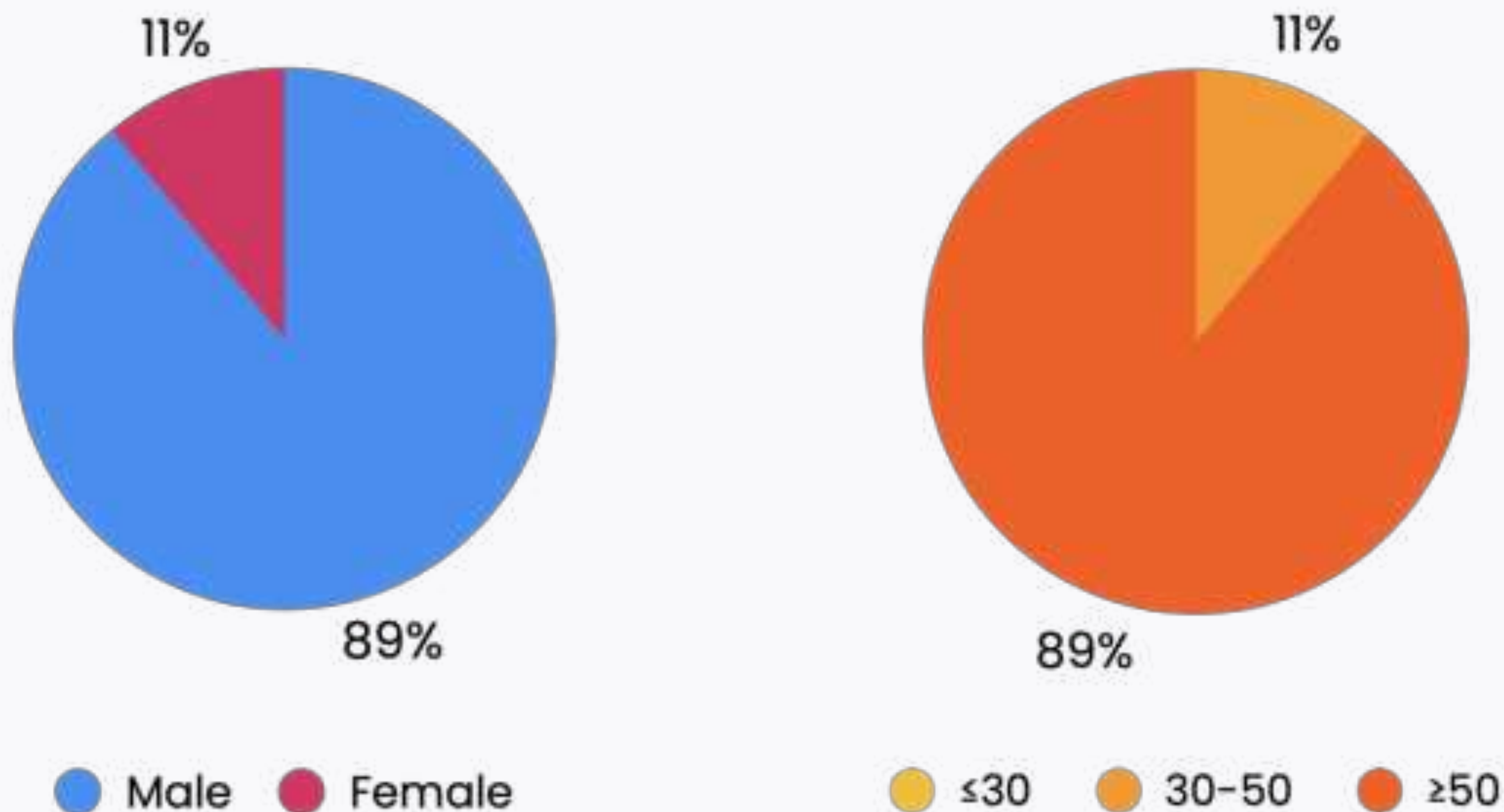
**Age Group by Employee Category**



**Gender Group by Employee Category**



### Percentage of Directors by Gender and Age Group



In conclusion, the Group is steadfast in its commitment to being a responsible member of the corporate community. Through prioritising sustainable and responsible practices, we not only aim for business growth but also strive to uphold environmental stewardship and social responsibility.

By integrating sustainability into our business operations, we ensure that our growth is not at the expense of future generations. Furthermore, our dedication to environmental stewardship underscores our role in mitigating climate change and preserving natural resources for the well-being of our planet.

Additionally, our focus on social responsibility underscores our commitment to creating positive impacts on communities, fostering inclusivity, and upholding ethical standards.

Together, these efforts solidify our position as a conscientious corporate citizen, driving meaningful change and contributing to a more sustainable and equitable future for all.

## Sustainability Performance Report

Indicator	Measurement Unit	2023
<b>Bursa Anti-corruption</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	80.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00 *
Management Between 30-50	Percentage	73.00 *
Management Above 50	Percentage	27.00*
Executive Under 30	Percentage	30.00 *
Executive Between 30-50	Percentage	67.00 *
Executive Above 50	Percentage	3.00 *
Non-executive/Technical Staff Under 30	Percentage	40.00 *
Non-executive/Technical Staff Between 30-50	Percentage	60.00 *
Non-executive/Technical Staff Above 50	Percentage	0.00 *
General Workers Under 30	Percentage	0.00 *
General Workers Between 30-50	Percentage	100.00 *
General Workers Above 50	Percentage	0.00 *

## Sustainability Performance Report (cont.)

Indicator	Measurement Unit	2023
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Gender Group by Employee Category		
Management Male	Percentage	73.00 *
Management Female	Percentage	27.00*
Executive Male	Percentage	55.00 *
Executive Female	Percentage	45.00 *
Non-executive/Technical Staff Male	Percentage	40.00 *
Non-executive/Technical Staff Female	Percentage	60.00 *
General Workers Male	Percentage	100.00 *
General Workers Female	Percentage	0.00 *
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	89.00 *
Female	Percentage	11.00 *
Under 30	Percentage	0.00 *
Between 30-50	Percentage	89.00 *
Above 50	Percentage	11.00 *
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	0.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0

## Sustainability Performance Report (cont.)

Indicator	Measurement Unit	2023
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	84 *
Executive	Hours	231 *
Non-executive/Technical Staff	Hours	35
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6 *
Executive	Number	5*
Non-executive/Technical Staff	Number	9
General Workers	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	0.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water use	Megalitres	0.000000

# Corporate Governance Overview Statement

The Board recognises the importance of having and continuing to comply with high standards and requirements of good corporate governance practices in the Group. A well-preserved corporate governance environment is instrumental in safeguarding its stakeholders' interests and enhancing its shareholders' value. The Board is aware of and strives to incorporate values of recommended corporate governance practices in the Group.

This Corporate Governance Overview Statement ("Statement") provides an overview of Pertama Digital's application of the principles and practices set out in the following guidelines in relation to corporate governance aspects during the financial year ended 31 December 2023 and up to the date of this Statement:

- MMLR, issued by Bursa Securities;
- Corporate Governance Guide (Fourth Edition) ("CG Guide"), issued by Bursa Securities; and
- MCCG, issued by SC.

Details on how Pertama Digital has applied each of the practices during the financial year under review are disclosed in the Corporate Governance Report, which is accessible for viewing on the Investor Relation page of Pertama Digital's website at [www.pertamadigital.com](http://www.pertamadigital.com).

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

### **(i) BOARD FUNCTIONS AND RESPONSIBILITIES**

The principal duties and responsibilities of the Board encompass performing its fiduciary duties of acting in good faith and in the interest of the Group, setting strategic direction for the Group, ensuring effective leadership functions through overseeing the management of the Group and monitoring the activities and performance of the Group. In managing and directing the business and affairs of the Group, the Board must exercise its duty of reasonable care, skill and diligence, and endeavour to exercise its power for a proper purpose, avoid conflict and self-dealing.

# Corporate Governance Overview Statement (cont.)

The roles and responsibilities of the Board are set out in the Board Charter, which serves as a reference point for the Board activities. The Board Charter provides guidance for the directors and Management personnel regarding the responsibilities of the Board, Board Chairman and Management, the requirements of directors in carrying out their stewardship role and in discharging their duties towards Pertama Digital as well as boardroom activities. This Board Charter is periodically reviewed by the Board to be in line with regulatory changes. The Board Charter is accessible at [www.pertamadigital.com](http://www.pertamadigital.com).

The Board has also established the following policies, which are accessible at [www.pertamadigital.com](http://www.pertamadigital.com):

- Code of Business Conduct, to maintain a corporate culture which promotes ethical conduct with the objective to enhance the confidence of shareholders, other stakeholders and public towards the Group's commitment of maintaining integrity, objectivity and fairness in conducting business.
- Whistleblowing Policy, to provide avenues specifically for the Group employees to raise any concerns relating to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices.
- Anti-Corruption Policy, to provide guiding principles to the Group employee on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealings and operation activities.

## **(ii) BOARD COMMITTEES**

The Board committees are established to assist the Board in the discharge of its steward role. Currently there are 2 Board committees being established, namely the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC") (collectively referred to as "Committees"). In view of enhancing the efficiency of the Committees into discharging their duties and responsibilities, the Board had, on 20 November 2023, approved the merging of the Nomination Committee and Remuneration Committee into a single committee forming the NRC.



# Corporate Governance Overview Statement (cont.)

The Committees are granted with full authority to examine and investigate any matter within their scope of responsibility that are within the terms of reference of each Committee, and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board. The Committees are entitled to engage independent professionals to advise them in the course of discharging their duties whereby the engagement cost is to be borne by the Group.

The functions, roles and responsibilities of the AC are presented in the Audit Committee Report while NRC's roles and responsibilities are detailed in this Statement. Respective terms of references of each Committees is also available at [www.pertamadigital.com](http://www.pertamadigital.com), which details out the governing terms which regulate the functions and performance of duties of each Committee.

## **(iii) BOARD INDEPENDENCE**

A Board's independence is essential in promoting the Board's effectiveness in discharging its duties, and a clear separation of delegated functions between the Board and Management is essential in enhancing the accountabilities. These promote adequate check and balance mechanisms in assessing and implementing the strategic plans tabled by the Management (which may include the Executive Directors) to the Board.

Throughout the financial year under review, the roles of the Board Chairman and Chief Executive Director (currently held by the newly appointed Acting Chief Executive Officer) are held by separate individuals, with clear division of responsibilities and authorities. In line with the MCCG recommendations, the Chairman is also a Non-Executive member of the Board and not a member of any of the Committees; this is to ensure checks and balance as well as objectivity of the Committees in discharging their functions.

# Corporate Governance Overview Statement (cont.)

With the recent appointments, the Management is currently led by the Acting Chief Executive Officer cum Chief Strategy Officer and Chief Financial Officer; who is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which includes the achievement of the Group's goals and observance of management of authorities delegated by the Board, developing the business plans which are aligned to the Group's requirements for growth, profitability and return of capital, overseeing the cost effectiveness in business operations, overseeing the development of human capital and ensuring the Board members have the information necessary to discharge their fiduciary duties and other governance responsibilities.

The Board is currently composed of 8 Non-Executive Directors (Independent and Non-Independent), which is more than half of the Board size, who are responsible for providing insights, unbiased and independent views, advice and judgment to the Board. This is an effective Board structure that ensures there are sufficient check and balance mechanisms in place for any decision making and protects the interest of shareholders.

## **(iv) COMPANY SECRETARY**

The Directors have unrestricted access to the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary, who are qualified in accordance with the provisions of the Companies Act 2016 and principally plays the following roles, among others:

- maintain the statutory records and registers of the Group.
- ensure all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are recorded.
- 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.
- update the Board on corporate governance requirements and the actual practices that meet the compliance requirements.
- advise the Board and Committees on the requirements to issue announcements to Bursa Securities pertaining to any compliance to MMLR, corporate developments and/or transactions that entail such announcements.

# Corporate Governance Overview Statement (cont.)

## (v) BOARD AND COMMITTEES MEETINGS

In order to discharge their responsibilities effectively, the Directors allocated sufficient time to attend Board and Committees meetings, which are the main avenue for the Directors to gather and deliberate on any strategic direction, business plan, financial results, significant transactions and internal control issues relating to the Group and any other matter under their purview.

The meeting schedule of the Board, Committees and Annual General Meeting for each financial year is fixed in advance for the whole year, and the Board and Committees members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting. There were 8 Board meetings held during the financial period under review, with the Company Secretary in attendance at every meeting while the Management and appointed auditors attended the Board and Committees meetings upon invitation, as and when necessary. In line with good governance, Pertama Digital leveraged on technology by conducting the meetings on virtual or hybrid basis, enabling the participants to participate off-site for robust discussions.

The summary of attendance of each Director is as follows:

Directors	Number of Meetings Attended
Datuk Ahmad Nazri Bin Abdullah ( <i>appointed on 22 June 2023</i> )	3/5
Sabri Bin Ab. Rahman	8/8
Chan Kah Hong ( <i>appointed on 1 February 2024</i> )	-
Mohd Reza Bin Mohd Hatta ( <i>appointed on 1 February 2024</i> )	-
Tun Dato' Seri Zaki Bin Tun Azmi	8/8
Yang Teramat Mulia Tunku Syed Razman Bin Tunku Syed Idrus	6/8
Tan Sri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	8/8
Dato' Dr. Suhazimah Binti Dzazali	8/8
Wong Yoke Nyen	8/8
Datuk Wira Shahrul Nazri Bin Abdul Rahim ( <i>appointed on 23 August 2023</i> )	2/2
Dato' Faisal Zelman Bin Abdul Malik ( <i>appointed on 23 August 2023</i> )	2/2

# Corporate Governance Overview Statement (cont.)

## **(vi) DIRECTORS' TRAINING**

The Directors are mindful of the requirement to keep themselves abreast of the relevant development on corporate governance, statutory and regulatory requirements and industrial knowledge that relate to the Group. Besides distributing the relevant articles and guidelines on the development and requirements from time to time for the Board's reference, the Company Secretary has also explained to the Board the implications of such development and requirements on the Directors.

During the financial period under review, the Directors have attended the following trainings, briefings, seminar, workshops and conferences conducted by the relevant regulatory authorities and professional bodies:

<b>Directors</b>	<b>Details of Training Attended</b>
Datuk Ahmad Nazri Bin Abdullah ( <i>appointed on 22 June 2023</i> )	None
Sabri Bin Ab. Rahman	None
Chan Kah Hong ( <i>appointed on 1 February 2024</i> )	Not applicable
Mohd Reza Bin Mohd Hatta ( <i>appointed on 1 February 2024</i> )	Not applicable
Tun Dato' Seri Zaki Bin Tun Azmi	None
Yang Teramat Mulia Tunku Syed Razman Bin Tunku Syed Idrus	Mandatory Accreditation Programme, by Institute of Corporate Directors Malaysia (ICDM)

# Corporate Governance Overview Statement (cont.)

## (vi) DIRECTORS' TRAINING

Directors	Details of Training Attended
Tan Sri Dr. Nik Norzrul Thani Nik Hassan Thani	<ul style="list-style-type: none"> <li>a. PNB Knowledge Forum 2023, by PNB Research Institute Sdn Bhd</li> <li>b. Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact), by Institute of Corporate Directors Malaysia (ICDM)</li> <li>c. What Amounts to a Conflict of Interest by Directors? by Sime Darby Plantation &amp; Asia School of Business (ASB)</li> <li>d. PRAXIS 2023 Conference – Advancing Malaysia’s Strategic Interests, by ISIS Malaysia</li> <li>e. The Development of Islamic Banking and Finance, and the Sustainable Development of Malaysia, by Cambridge University Malaysia Society (CUMaS)</li> <li>f. PNB Knowledge Forum II 2023 – Education Reimagined by PNB Research Institute Sdn Bhd</li> <li>g. Cyber Security Day, by Permodalan Nasional Berhad</li> <li>h. Shaping the Future of Estate Planning in Malaysia, by Malaysia Will and Trust Association</li> </ul>
Dato’ Dr. Suhazimah Binti Dzazali	None
Wong Yoke Nyen	<ul style="list-style-type: none"> <li>a. ChatGPT: A Life Changer for Wealth Managers and Investors: Maximising Returns Through Intelligent Investment Decisions, by CHK Consultancy Sdn Bhd</li> <li>b. 12 Malaysia Plan: Challenges and Opportunities, by CHK Consultancy Sdn Bhd</li> </ul>
Datuk Wira Shahrul Nazri Bin Abdul Rahim	Mandatory Accreditation Programme, by Institute of Corporate Directors Malaysia (ICDM)
Dato’ Faisal Zelman Bin Abdul Malik	Management of Cyber Risk, Ernst & Young

The Board endeavours to ensure all Directors strive to consistently ensure their participation in such training recommendations in the upcoming financial period.

# Corporate Governance Overview Statement (cont.)

## **(vii) BOARD COMPOSITION**

The Board presently consists of 11 Directors, comprising 3 Executive Directors, 3 Non-Independent Non-Executive Directors and 5 Independent Non-Executive Directors. Such composition complies to the MMLR which stipulates that at least 2 Directors or 1/3 of the Board (whichever is higher) are independent directors.

The Group is helmed by a Board comprising members of different backgrounds and specialisations, collectively bringing with them a wide range of experience and expertise in areas such as entrepreneurship, finance, taxation, audit, legal, corporate finance, operations as well as corporate governance. The profiles of the Directors are set out in the section of the Board of Directors' profile of this Annual Report.

*NRC Functions:* The NRC is delegated with the responsibility to assess the adequacy and appropriateness of the Board composition, identify and recommend suitable candidates for the Board membership and also to assess the performance of the Directors, succession plans and Board diversity. The NRC comprises 5 Independent Non-Executive Directors to ensure unbiased and objective decision-making:

<b>Directors</b>	<b>Membership</b>	<b>Directorship</b>
Dato' Faisal Zelman Bin Abdul Malik	Chairman <i>(appointed on 20 November 2023)</i>	Independent Non-Executive Director
Dato' Dr. Suhazimah Binti Dzazali	Member <i>(re-designated on 20 November 2023)</i>	Independent Non-Executive Director
Yang Teramat Mulia Tunku Syed Razman Tunku Syed Idrus	Member <i>(appointed since 22 May 2023)</i>	Independent Non-Executive Director
Wong Yoke Nyen	Member <i>(appointed on 20 November 2023)</i>	Independent Non-Executive Director
Datuk Wira Shahrul Nazri Bin Abdul Rahim	Member <i>(appointed on 20 November 2023)</i>	Independent Non-Executive Director

# Corporate Governance Overview Statement (cont.)

Nomination of any new candidate of Director will go through the NRC's evaluation, assessment and interview process before the issuance of any recommendation by the NRC to the Board for approval on the appointment of new Director.

The NRC 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. This is in line with the criteria listed out in the Directors' Fit and Proper Policy adopted by the Group, which is accessible at [www.pertamadigital.com](http://www.pertamadigital.com). After going through all due consideration and deliberations, the NRC will put forth its recommendation to the Board for deliberation and approval.

*Summary of NRC Activities:* During the financial period under review, the NRC has performed its roles in a summary as follows:

- Assessed the proposed appointments of Datuk Ahmad Nazri Bin Abdullah as the new Non-Independent Non-Executive Chairman, and Datuk Wira Shahrul Nazri Bin Abdul Rahim as well as Dato' Faisal Zelman Bin Abdul Malik as the new Independent Non-Executive Directors.
- Assessed the proposed appointment of Mohd Reza Bin Mohd Hatta as the Executive Director cum Chief Strategy Officer and Acting Chief Executive Officer, as well as Chan Kah Hong as the Executive Director cum Chief Financial Officer.
- Reviewed the size, composition, diversity and other qualities of the Board.
- Reviewed the annual assessment of the Board's performance and effectiveness.
- Reviewed the annual assessment of the Independent Non-Executive Directors' independence.
- Reviewed and recommended the Directors' retirement and re-election by rotation for the shareholders' approval, which motion was tabled and passed during the 38th Annual General Meeting on 22 June 2023.

*Tenure of Independent Director:* Under the amended MMLR issued by Bursa Securities via its 19 January 2022 letter, a 12 years limit is imposed on the tenure of an independent director. Pertama Digital is in compliance with this requirement as at the date of this Annual Report.

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# Corporate Governance Overview Statement (cont.)

**Assessment:** The NRC has also assessed the independence of all Independent Non-Executive Directors for the financial period under review based on the criteria set in the MMLR and concluded that all Independent Non-Executive Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of Pertama Digital.

Pertama Digital is also adopting the self-evaluation and assessment method, by using a self and peer assessment approach, in evaluating the performance of the Board and Committees. Based on evaluation and assessment results, the NRC is satisfied that the Directors have the relevant set of skills and due care has been exercised by the Board and Committees members in carrying out their fiduciary duties.

**Gender Diversity:** While Pertama Digital supports the MMLR requirements and MCCG recommendations on gender diversity in the Board and senior management composition, it places emphasis and priority on the suitability, merit and experience of any candidates for directorship and senior management posts.

As at this Annual Report's date, 1 woman Director has been appointed into the Board; Pertama Digital is in compliance with the amended MMLR which requires all listed issuers to have at least 1 woman Director in the Board. This is however currently a departure from the recommended 30% composition under MCCG (i.e. at least 3 women Directors, based on the current Board size).



# Corporate Governance Overview Statement (cont.)

## **(viii) BOARD REMUNERATION**

The NRC is also responsible to ensure the remuneration packages for the Directors and Management are fair and adequate based on their performance of the roles and duties assigned. In line with the MCCG practice recommendation, the Board has established a Group Directors' Remuneration Policy as a guideline for the NRC in determining remuneration packages for the Directors, which is accessible at [www.pertamadigital.com](http://www.pertamadigital.com).

Some key elements that need to be taken into consideration before making any remuneration-related decisions includes:

- Scope of the Director's responsibilities in accordance with their roles assumed in the Group and the degree of complexity of these duties.
- Expertise, professional and industrial background of the Director.
- Management experience of the Director and availability of any similar talents as prospective candidates for directorship.
- Performance and contribution of the Director towards achievement of the Group; and
- Market rates of Director's salary or fees and market practices of other benefits such as payment of allowances, bonuses and benefits-in-kind.

Details of remuneration for each Director are set out in the Corporate Governance Report.

# Corporate Governance Overview Statement (cont.)

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **(i) AUDIT COMMITTEE**

The AC is responsible for assisting the Board to review the adequacy and integrity of the Group's financial reporting, risk management and internal control systems in accordance with the applicable financial reporting standards and other requirements. The AC reviews all financial statements before recommending the Board for approval. The detailed roles, functions and responsibilities of the AC can be found on the Terms of Reference of Audit Committee accessible at [www.pertamadigital.com](http://www.pertamadigital.com).

Further details of the AC composition and a summary of its activities during the financial period under review is provided under the Audit Committee Report.

### **(ii) 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.

Pertama Digital sets up an RMIC framework to outline in an orderly manner the 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 Group. The Board also works hand-in-hand with the appointed Internal Auditor to monitor and review the existing risk management process in place within the various business operations, with the aim of establishing the risk management functions across the Group. This function also acts as a source to assist the AC and Board to strengthen and improve current management and reporting style in pursuit of best practices.

The information on the Group's risk management and internal controls is represented in the Statement on Risk Management and Internal Control in this Annual Report.

# Corporate Governance Overview Statement (cont.)

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

### **(i) COMMUNICATION WITH STAKEHOLDERS**

The Board recognises the need for transparency and accountability to Pertama Digital's shareholders as well as regular communications with its shareholders, stakeholders and investors on the performance and major developments in the Group. The Group submits and announces its quarterly financial statements in accordance with the MMLR requirements, whereby the Board is assisted by the AC in ensuring quality and timely release of financial statements. The Board is responsible to ensure that the financial statements conform to the applicable rules, regulations and accounting standards.

The Group also ensures its press releases and corporate announcements are made to the shareholders and investors with clear, accurate, sufficient and relevant information. Various channels or platforms are used for this purpose such as the Bursa Securities website, the Group's corporate website, annual reports, and general meetings. The Group has also dedicated an electronic mail address ([ir@pertamadigital.com](mailto:ir@pertamadigital.com)) to which stakeholders can direct their queries or concerns.

The Group has outlined a Shareholders Communication Policy as the guidelines on how it disseminates information to its stakeholders. This policy is accessible at [www.pertamadigital.com](http://www.pertamadigital.com).

### **(ii) CONDUCT OF GENERAL MEETINGS**

The Annual General Meeting ("AGM") is the principal forum for shareholders' dialogue which allows the shareholders to review the Group's performance and ask questions to the Board. As per the MCCG recommendation, the AGM notice is dispatched to the shareholders and published in the major local newspaper at least 28 days before to allow the shareholders ample time to go through the annual report and make the necessary arrangements for voting and attendance.

Pertama Digital's 38th AGM was conducted on a hybrid basis, which allowed all shareholders to directly interact with the present Directors, Management and external auditor, no matter where their locations are. The AGM began by the Chairman informing the shareholders of their rights to a poll voting (which was made available online). Separate resolutions were proposed for separate agendas during the AGM and following the voting, the outcome results were announced and submitted to Bursa Securities on the same day.

A specific question-and-answer session was allocated for any clarifications needed by the shareholders and immediate replies were given by the Directors or Management during the AGM. The shareholders were also given the opportunity to submit any question earlier prior to the AGM. Minutes of the AGM were made available on the Group's corporate website within 30 days after the AGM.

# Audit Committee Report

## (i) COMPOSITION

As at the date of this Annual Report, the AC comprises the following Directors:

Directors	Membership	Directorship
Wong Yoke Nyen	Chairman	Independent Non-Executive Director
Dato' Dr. Suhazimah Binti Dzazali	Member	Independent Non-Executive Director
Tun Dato' Seri Zaki Bin Tun Azmi	Member <i>(appointed on 11 August 2023)</i>	Independent Non-Executive Director

The Chairman of the AC is not the Chairman of the Board, and the AC comprises only Non-Executive Directors, with a majority of Independent Directors. Qualifications and experiences of the AC members are disclosed in the Board Profile page of this Annual Report.

The Board and AC recognises the importance in upholding the independence of its external auditors and that no possible conflict of interest should arise. Currently, none of the members of the Board or the AC was former key audit partners of the external auditors appointed by the Group. As recommended by MCCG, the Group will observe a cooling period of at least 3 years in the event of any potential candidate to be appointed as a member of the AC or a key audit partner of the external auditors of the Group.

## (ii) MEETINGS

5 meetings were held during the financial period under review. Summary of attendance of each member is as follows:

Members	Number of Meetings Attended
Wong Yoke Nyen	5/5
Dato' Dr. Suhazimah Binti Dzazali	5/5
Tun Dato' Seri Zaki Bin Tun Azmi <i>(appointed on 11 August 2023)</i>	2/2

The AC meetings are held for the AC members to review and deliberate matters under its purview. The relevant meeting papers are distributed to the members prior to the meeting to enable them to study the items on agenda and provide them the opportunity to seek additional information or clarification from the Management. The Management usually participates in the AC meetings upon invitation of the AC to facilitate the discussion. Representatives of external and internal auditors also attend the scheduled meetings to table their annual audit plan and consider the final audited financial statements, whichever relevant.

# Audit Committee Report (cont.)

## **(iii) SUMMARY OF WORK FOR THE FINANCIAL YEAR**

In line with the AC's Terms of Reference, the following work were carried out by the AC during the financial period under review:

### **(a) Matters relating to financial reporting**

- Reviewed the quarterly unaudited financial results of the Group before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities.
- Reviewed the annual audited financial statements of the Group before recommending the same to the Board for approval to release the annual audited financial statements to Bursa Securities.

### **(b) Matters relating to external audit**

- Reviewed and approved the audit plan and scope of work presented by the external auditors for the statutory audit of the Group for the financial period under review.
- Conducted private discussion sessions with the external auditors, without the presence of the Management in order to provide the external auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.
- Reviewed the external audit fees and scope proposals and recommended the same to the Board for approval.
- Reviewed and discussed with the external auditors on the audit reports.
- Discussed with the Management on the areas for improvement following the audit findings.
- Reviewed and discussed the performance of the external auditors, before recommending for their services renewal.
- Obtained from the external auditors written representation of their professional independence as auditors.

### **(c) Matters relating to internal audit**

- Reviewed the engagement proposal from a new independent professional internal audit services firm to replace OAC Consulting Sdn. Bhd. which had provided the internal audit function to the Group for the financial year ended 31 December 2022.
- Reviewed and discussed with the internal auditors on the audit reports.
- Discussed with the Management on the areas for improvement following the audit findings.
- Conducted private discussion sessions with the internal auditors, without the presence of the Management in order to provide the internal auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.
- Reviewed and discussed the performance of the internal auditors, before recommending for their services renewal.

# Audit Committee Report (cont.)

## **(iii) SUMMARY OF WORK FOR THE FINANCIAL YEAR**

### **(d) Matters relating to risk management and internal control**

- Reviewed the Statement on Risk Management and Internal Control before recommending the same to the Board for approval.

### **(e) Matters relating to related party transaction**

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

### **(f) Other matters**

- Reported to the Board on matters discussed and addressed at the AC meetings.
- Prior to approving the appointment of the external auditors to provide non-audit services to the Group, reviewed to ensure that their independence and objectivity as external auditors would not be impaired by the performance of such non-audit services.
- Reviewed and recommended to the Board for approval and inclusion in the Annual Report 2022, the Statement on Risk Management and Internal Control, the Corporate Governance Report and the Corporate Governance Overview Statement.
- Reviewed on an annual basis the Board Charter and Code of Business Conduct.

## **(iv) SUMMARY OF WORKS OF INTERNAL AUDIT FUNCTION**

The Group recognises the importance of an independent review and assessment on the adequacy, integrity and operating effectiveness of the Group's system of governance, risk management and internal control.

The internal auditors are directed to report directly to the AC on any observations and findings of their annual internal audit review on selected operational aspects, which has been agreed upon with the AC and Management.

During the financial period under review, GovernAce Advisory & Solutions Sdn. Bhd. ("GovernAce") was appointed as new outsourced internal auditor in replacement of OAC Consulting Sdn. Bhd. on 22 November 2023, to review the Group's corporate governance practices' compliance with the MCCG. Summary of the works carried out by GovernAce is as follows:

- Formulated and agreed with the AC on the annual internal audit plan, strategy and scope of work.
- Reviewed the Group's corporate governance practices' compliance with MCCG.
- Conducted sessions with the Management or company representative for any clarification on audit aspects.
- Reported audit findings and made recommendations for improvement to the Management.
- Presented the audit findings and recommendation to the AC.

The costs incurred for the internal audit function for the financial year ended 31 December 2023 amounted to approximately RM15,000.00.

# Statement on Risk Management and Internal Control

## **(i) INTRODUCTION**

This Statement on Risk Management and Internal Control Statement ("SORMIC") is formulated in compliance with Paragraph 15.26(b) of the MMLR and the MCCG, whereby a listed issuer must ensure that its board of directors makes a statement about the state of risk management and internal controls of the listed issuer as a group.

This SORMIC is prepared following the guidelines outlined in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guidelines").

## **(ii) ROLES AND RESPONSIBILITIES OF THE BOARD**

The Board acknowledges its overall responsibility in maintaining a sound system in the risk management and internal controls to safeguard its shareholders' interest and the Group's assets as well as reviewing the adequacy and operating effectiveness of this system in meeting the Group's business objectives. The Board's responsibility includes:

- identifying the key business and operational risk factors encountered by the Group, and assessing the impact of these risks on the Group.
- reviewing and approving the system put in place in managing the risk and internal controls.
- ensuring appropriate and timely actions and updates by the Management on the system implementation.
- following up and revisiting the effectiveness of system implementation and related issues highlighted.

## Statement on Risk Management and Internal Control (cont.)

### (iii) KEY FEATURES

The key features of the risk management and internal control systems of the Group which operate with the assistance of the Management are described under the following items:

- **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 risk management and internal controls system, identification of risks, assessment and monitoring and detailed description of the risk factors that affect the overall operating environment of the Group. The framework is subject to and continually being reviewed, from time to time, when new risk issues emerge, resulting from changes either in the internal or external environment, or as highlighted by IA or any other advisors.
- **Management:** The collective Management team of the Group serves as the key personnel responsible for identifying, evaluating, and assessing the risk factors present in the Group's operational, financial, reporting, and regulatory compliance aspects. Following the evaluation and assessment of identified risk factors, the Management shall develop and implement suitable measures and systems to avoid or encounter those risk factors e.g. developing proper standard operating procedures and authorisation procedures. The Management holds the responsibility for the ongoing management and monitoring of various issues related to business and/or operational risks within their respective delegated authority.

The Management also provides updates to the Board and AC during the quarterly meetings and other ad hoc meetings, reporting on findings and progress status of the overall risk management and internal control system.

- **Board & Committees:** The Committees (i.e. NRC and AC) have been established to carry out duties and responsibilities delegated by the Board and are governed by their set of Terms of Reference. Meetings of the Board and Committees are conducted quarterly or annually to review the performance of the Group, from financial to operational perspectives.

In line with its Terms of Reference (which is accessible at [www.pertamadigital.com](http://www.pertamadigital.com)), the AC's establishment serves a pivotal role in furnishing oversight and scrutiny concerning the financial operations and reporting as well as risk management and overview of the Group. Its primary objective is to reinforce transparency, accountability, and ethical conduct within the organization.

- **Policies and Standard Operating Procedures:** While standard operating procedures for the majority operational aspects of the Group are currently being developed, the Group has started to have in place certain standard operating procedures to cover certain critical and significant aspects of the Group's operational process at the subsidiary level. All established policies of the Group are accessible at [www.pertamadigital.com](http://www.pertamadigital.com).
- **Internal Auditor ("IA") & Annual Audit:** The appointed IA reports directly to the AC, and by extension, to the Board, to provide a reasonable independent assurance, but not absolute guarantee, on the adequacy and effectiveness of the Group's internal control system and its overall control environment. The IA plays an important role of evaluating and assessing the presence, effectiveness and integrity of risk management and internal control systems and mechanisms put in place. The IA will make enhancement recommendations for the Management and Board to consider.



## Statement on Risk Management and Internal Control (cont.)

During the financial period under review, an audit review exercise (“Audit Review”) was carried out by the appointed IA on the Group’s corporate governance practices’ compliance with the MCCG.

The Audit Review was conducted by reviewing the relevant documentation such as minutes of meetings, Board Charter, Terms of Reference of Board Committees, policies & procedures, disclosure in the previous Annual Report and Corporate Governance Report, in order to gain an understanding on the current corporate governance practices of the Group. From these information, documents and policies, IA was able to identify the gaps and quantify the differences, and subsequently discuss with the Management on the requirements to improve the Group’s corporate governance practices.

The AC, after reviewing the Audit Review report presented by the IA, has acknowledged the importance of adhering to the MCCG recommendations, and recommended for the Management to ensure the planned actions are duly implemented by the end of year 2024. The key areas of focus based on the Audit Review report are as follows:

- (a) improve the Board meeting management, especially on the circulation of meeting papers in advance.
  - (b) strengthen the Board oversight, and integration as well as implementation of the sustainability considerations and practices in the strategy and operations of the Group.
  - (c) ensure full and accurate disclosures in the Annual Report and Corporate Governance Report.
  - (d) encourage the adoption of the best practices, particularly those found to have relatively lower levels of adoption, as highlighted in the SC’s Corporate Governance Monitor report.
- **Information Technology Controls & Security:** The Group is looking into two (2) key measures being undertaken in managing the related risk:
    - (a) **Disaster Recovery Backup Plan:** A disaster recovery backup plan has been established at the Group level in order to ensure the continuity of business operations in the event of IT-disabling disaster strikes.
    - (b) **Personal Data Protection:** The Group has established and published a set of governing terms and conditions relating to personal data protection for its commercial products as the Group processes personal data in the course of its business activities and operations. The Group recognises the importance of protecting the rights and privacy of individuals and is committed to protecting the same. In preparing these terms and conditions, the Management has taken steps to ensure conformity, to the extent possible, with the principles underlined in the Malaysian Personal Data Protection Act 2010.

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

## Statement on Risk Management and Internal Control (cont.)

- **Human Capital:** The Group has established some measures as part of its internal control relating to employment matters:
  - (a) **Performance Appraisal & Employee Trainings:** Annual appraisal system is implemented for the employees at all levels within the Group, enforcing dialogue between management and subordinates for continuous improvement on employees' performance. Arising from this appraisal, training need analysis is performed to identify the required training for employees to address the areas of improvement identified.
  - (b) **Code of Business Conduct:** The Group's Code of Business Conduct which serves as guidance to all employees, about the rules, best practices and attitude that they are expected to observe when carrying out their duties. Employees are expected to act in the best interest of the Group, failing which may result in stern disciplinary actions being taken. This code is available at [www.pertamadigital.com](http://www.pertamadigital.com).
  - (c) **Whistle Blowing Policy:** The Group has established a Whistle Blowing Policy to provide an avenue for employees and all stakeholders; to report any suspected acts that are in breach of the Group's Code of Business Conduct, internal policy and applicable laws or regulations in a confidential manner. The policy also guarantees an employee or stakeholder making a report of improper conduct in good faith shall not be subject to reprisal action or discrimination of any kind by Pertama Digital or the Group. The Chief Executive Officer and the Management are primarily responsible to ensure that all whistleblowing reports are properly followed up. This policy is accessible at [www.pertamadigital.com](http://www.pertamadigital.com).
  - (d) **Anti-Corruption Policy:** This policy was established by the Board to provide guiding principles to the Group employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealings and operation activities. This policy is accessible at [www.pertamadigital.com](http://www.pertamadigital.com).
- **Legal & Compliance:** The compliance with laws and regulations is managed at and monitored by the Group Legal Department. The Group Legal Department also provides legal advisory and assists in the preparation and review of any legal documentation including but not limited to amongst other daily and administrative assignments.

## Statement on Risk Management and Internal Control (cont.)

### **(iv) RISK IDENTIFICATION, EVALUATION AND RANKING**

The Management, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement taking into consideration the effectiveness of controls that are capable of mitigating such risks. Heads of Departments are usually responsible to identify risks that may have an impact in meeting their unit's business objectives. Risk identification process shall also take into consideration of the following:-

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

Thereafter, identified risks are evaluated as follows:-

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

During the assessment of risk factors, the Board establishes the Group's tolerance level for each factor. This is done to guarantee that the sustainability of the Group's business continuity remains uncompromised.

### **(v) 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 judgment in decision-making, circumvention of control processes, management overriding control processes and other unforeseen circumstances.

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## Statement on Risk Management and Internal Control (cont.)

### CONCLUSION

The risk management and internal control mechanisms delineated above have been operational throughout the financial year under consideration, extending up to the endorsement of this statement for inclusion in the annual report. A letter of assurance has been procured from the Executive Director of Pertama Digital.

The Board holds the belief that the Group's risk management and internal control system is sufficient to offer a reasonable, albeit not absolute, assurance that any deficiencies or weaknesses in the Group's internal control system have been reasonably identified and rectified.

Nevertheless, the Board is steadfast in its commitment to consistently enhance the risk management and internal control system to fulfil its paramount objectives of protecting shareholders' investments, the Group's assets, and the interests of other stakeholders, including suppliers, customers, and regulators.

The Board acknowledges that risk management is a dynamic process within a fluid business environment and is dedicated to ongoing monitoring of adequacy and effectiveness. Additionally, the Board is prepared to enhance the Group's risk management framework and internal control system as needed.

This statement is issued in accordance with a resolution of the Board dated 22 April 2024.

## Other Disclosure Requirements

### (i) UTILISATION OF PROCEEDS

The table below summarises the utilisation of proceeds raised from the Disposal of Be Top, being the aggregate of the bidding bond of RM3 million, the first cash payment amounting to RM12 million and second cash payment of RM18.515 million, received from GIL:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanation (if deviation is 5% or more)
				Amount	%	
	RM'000	RM'000		RM'000		
TAS shares acquisition	2,000	2,000	Within 1 month	n.a.	n.a.	n.a.
Future investment in the existing businesses of the Group	20,000	1,633	Within 24 months	n.a.	n.a.	n.a.
Working capital of the Group	10,516	10,516	Within 24 months	n.a.	n.a.	n.a.
Estimated expenses in relation to the proposals and waiver application	1,000	1,000	Within 9 months	n.a.	n.a.	n.a.

The table below summarises the utilisation of proceeds raised from the Placement Shares (as defined in Note) to date amounting to RM12.792 million, received from Macquarie Bank Limited. The Placement (as defined in Note) is deemed completed as of 15 August 2023 with no further subscription. Please refer to Note for details of the exercise.

Purpose	Proposed Utilisation*	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanation (if deviation is 5% or more)
				Amount	%	
	RM'000	RM'000		RM'000		
Project roll-out costs	15,000	710	Within 24 months	n.a.	n.a.	n.a.
Repayment of bank borrowings	8,000	Nil	Within 3 months	n.a.	n.a.	n.a.
Working capital of the Group	19,882	11,796	Within 24 months	n.a.	n.a.	n.a.
Estimated expenses in respect of the Proposed Placement of the first Tranche	1,000	286	Within 12 months	n.a.	n.a.	n.a.

\*Approved proposed utilisation stated was for the full first tranche that was expected to raise total gross proceeds of up to RM43.882 million. However, actual proceeds raised up to the completion date was only RM12.792 million.

Note: On 16 March 2023, Pertama Digital entered into a conditional subscription agreement ("Subscription Agreement") with Macquarie Bank Limited ("Investor"). Under this agreement, the Investor will subscribe to up to 43,000,000 new ordinary shares ("Placement Shares"), approximately 10% of Pertama Digital's total issued shares ("Placement"). The first tranche, constituting about 5% of Pertama Digital's total number of issued shares, will support working capital, coin conversion roll-out, and retiring revolving credit facilities. The second tranche is contingent upon Bursa Securities approving the regularisation plan. On 14 June 2023, Bursa Securities approved the first tranche. Pertama Digital met all related conditions for the proposed placement on 15 June 2023, initiating the subscription period. On 11 August 2023, Pertama Digital and the Investor had mutually agreed to terminate the Subscription Agreement effective 15 August 2023 with no subscriptions to be made up to such date, subject to Pertama Digital paying termination payable sum of RM2.5 million to the Investor by 15 August 2023 ("Termination"). The Termination was decided by the Board after taking into consideration, amongst others, the Group's current financial conditions as well as the adequacy of its financial resources for its on-going business activities. Barring unforeseen circumstances, save for the termination payable sum to be incurred by the Group of RM2.5 million, the Termination is not expected to have any other material effect to the Group's financial results for the financial year ending 31 December 2023. On 15 August 2023, the Investor had confirmed that it had received the termination fee paid by Pertama Digital. Following thereto, the Subscription Agreement is terminated with effect from 15 August 2023 and the Placement is deemed completed on even date. As 15 August 2023, the Investor has subscribed to 4,850,000 Placement Shares, raising total gross proceeds of RM12.8 million.

## Other Disclosure Requirements (cont.)

### **(ii) AUDIT AND NON-AUDIT FEES PAID TO THE EXTERNAL AUDITORS**

During the financial year under review, amount of the audit and non-audit fees paid to the external auditors by Pertama Digital and the Group are as follows:

<b>Fees</b>	<b>Group RM'000</b>	<b>Company RM'000</b>
Audit	180	71
Non audit	15	10
<b>Total</b>	<b>195</b>	<b>81</b>

### **(iii) MATERIAL CONTRACTS**

There was no material contract entered into by Pertama Digital and the Group during the financial year under review.

### **(iv) RECURRENT RELATED PARTY TRANSACTIONS**

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

# Reports and Financial Statements for the Financial Year Ended 31 December 2023

**Forward Gaze** : Steering towards a  
digital-driven tomorrow

# Corporate Information

**PERTAMA DIGITAL BERHAD**  
(Incorporated in Malaysia)

**Domicile** : Malaysia

**Legal Form and Place of Incorporation** : Public company limited by way of shares incorporated in Malaysia

**Registered Office** : Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

**Principal Place of Business** : Suite 37, Unit 2-1, Level 2  
The Podium Tower 3, UOA Business Park  
No 1, Jalan Pengaturcara U1/51A  
Seksyen U1  
40150 Shah Alam  
Selangor



# Directors' Report

## For the Financial Year ended 31 December 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in note 7 to the financial statements.

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

### RESULTS

Loss for the financial year:	Group	Company
	RM'000	RM'000
	(10,521)	(18,616)
	=====	=====
Loss for the financial year attributable to:		
Owners of the Company	(5,622)	(18,616)
Non-controlling interests	(4,899)	-
	-----	-----
	(10,521)	(18,616)
	=====	=====

### DIVIDEND

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

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 4,850,000 placement shares under the placement, raising net proceeds of RM10.3 million as disclosed in note 13 to the financial statements.

The new ordinary shares issued during the financial period rank pari passu in all respects with the then existing ordinary shares of the Company.

There were no debentures issued during the financial year.

# Directors' Report (cont.)

## For the Financial Year ended 31 December 2023

### SHARE OPTIONS

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

### RESERVES AND PROVISIONS

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

### SUBSIDIARIES

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

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

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

### DIRECTORS

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

Tun Dato' Seri Zaki Bin Tun Azmi	
Sabri Bin Ab. Rahman	
Dato' Dr. Suhazimah Binti Dzazali	
Wong Yoke Nyen	
Tan Sri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	
YTM Tunku Syed Razman Bin Tunku Syed Idrus	
Datuk Ahmad Nazri Bin Abdullah	(Appointed on 22 June 2023)
Datuk Wira Shahrul Nazri Bin Abdul Rahim	(Appointed on 23 August 2023)
Dato' Faisal Zelman Bin Abdul Malik	(Appointed on 23 August 2023)
Chan Kah Hong	(Appointed on 1 February 2024)
Mohd Reza Bin Mohd Hatta	(Appointed on 1 February 2024)
Datuk Ng Bee Ken	(Retired on 22 June 2023)

# Directors' Report (cont.)

## For the Financial Year ended 31 December 2023

### LIST OF DIRECTORS OF SUBSIDIARIES

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

Directors of Subsidiaries	Period Commencing
Datuk Ng Bee Ken	
Khairul Amanda Binti Sabri	
Tun Dato' Seri Zaki Bin Tun Azmi	
Sabri Bin Ab. Rahman	
Ahmad Jefri Bin Abdul Rashid	(Resigned on 31 January 2024)

### DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1.1.2023	Acquisition	Disposal	At 31.12.2023
<i>The Company</i>				
Sabri Bin Ab. Rahman				
- direct interest	20,360,438	-	10,134,000	10,226,438
- indirect interest <sup>#1</sup>	50,000,000	-	6,000,000	44,000,000
- indirect interest <sup>&amp;</sup>	70,000,000	-	70,000,000	-
Tun Dato' Seri Zaki Bin Tun Azmi				
- indirect interest <sup>#</sup>	9,860,000	-	13,000	9,847,000
- indirect interest <sup>#1</sup>	50,000,000	-	6,000,000	44,000,000
Tan Sri Dr. Nik Norzrul Thani Bin Nik Hassan Thani				
- direct interest	50,125,000	-	-	50,125,000
Datuk Ahmad Nazri bin Abdullah				
- direct interest	21,911,600	-	2,000	21,909,600
- indirect interest <sup>#2</sup>	9,263,500	-	10,000	9,253,500

<sup>#</sup> Deemed interest by virtue of his spouse's shareholdings in the Company.

<sup>#1</sup> Deemed interest by virtue of their shareholdings in Mypay Capital Sdn. Bhd.

<sup>#2</sup> Deemed interest by virtue of his son's shareholdings in the Company.

<sup>&</sup> 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 their interests in shares in the Company, Sabri Bin Ab. Rahman, Tun Dato' Seri Zaki Bin Tun Azmi, Tan Sri Dr. Nik Norzrul Thani Bin Nik Hassan Thani and Datuk Ahmad Nazri Bin Abdullah are deemed to have interests in shares of all the subsidiaries to the extent that the Company has an interest.

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

# Directors' Report (cont.)

## For the Financial Year ended 31 December 2023

### **DIRECTORS' BENEFITS**

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

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

	Group	Company
	RM'000	RM'000
Directors' fees	98	98
Other emoluments (salaries, allowances, bonuses and benefit-in-kind)	815	35
Defined contribution benefits	31	-
	-----	-----
	944	133
	=====	=====

### **INDEMNITY AND INSURANCE COST**

Effective from 1 February 2024, the total amount of indemnity coverage for the directors of the Company is RM5,000,000. There was no indemnity paid during the year.

# Directors' Report (cont.)

## For the Financial Year ended 31 December 2023

### OTHER INFORMATION

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

- i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that 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 of the Group or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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 year 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.

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) except for the impairment loss on investment in a subsidiary recognised in the current financial year as disclosed in note 7 to financial statements, the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material or unusual nature; and
- ii) there has not arisen in the interval between the end of the financial year 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 year in which this report is made.

# Directors' Report (cont.)

## For the Financial Year ended 31 December 2023

### EVENTS OCCURRED DURING THE REPORTING PERIOD

Events occurred during and after the reporting year are disclosed in note 30 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 arising from the audit. No payment has been made to indemnify the auditors for the current financial year.

The total amount paid to or receivable by the auditors of the Group and of the Company as remuneration for their services as auditors for the current financial year are as follows:

	Group	Company
	RM'000	RM'000
Statutory audit:		
- Auditors of the Company	180	71
Other assurance engagements		
- Auditors of the Company	15	10
	-----	-----
	195	81
	=====	=====

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

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# Directors' Report (cont.)

## For the Financial Year ended 31 December 2023

### **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

**WONG YOKE NYEN**  
Director

# Independent Auditors' Report

## 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 2023 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 86.

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

### *Basis for Opinion*

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

### *Independence and Other Ethical Responsibilities*

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

### *Key Audit Matters*

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



# Independent Auditors' Report (cont.)

## INDEPENDENT AUDITORS' REPORT

### PERTAMA DIGITAL BERHAD

Registration No.: 198401002327 (114842-H)

#### Group

#### Measurement of other intangible assets

Refer to "Other Intangible Assets" and "Significant Accounting Judgements and Estimates" in Notes 6 and 4(ii and iii) to the financial statements respectively.

#### *The risk*

The Group is involved in the development of new mobile and digital solutions or the improvement of existing mobile and digital solutions. As at 31 December 2023, the carrying amount of development costs amounted to RM8,274,000. These include both capitalised development costs available for use and development costs work-in-progress as at the financial year end.

The capitalised development costs available for use are amortised on a straight-line method over its useful life and reviewed annually by the management for indicators of impairment. The development costs work-in-progress are subject to impairment assessment, irrespective of whether there is any indication of impairment. In determining the recoverable amount of the cash-generating unit, management estimates the value in use of the assets. Management assessed the value in use based on approved cash flow projections and business plans and applied a suitable discount rate to calculate the net present value of those estimated cash flows.

This is considered a key audit matter, due to the significance of the carrying amount of development costs at the end of financial year and use of significant management's estimates and judgements required for the preparation of underlying key assumptions in the impairment assessment.

#### *Our response*

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

- Reviewed management's basis and assumptions in the determination of useful lives to amortise capitalised development costs available for use.
- Updated our understanding on management's internal process for amortisation and impairment assessment and reviewed the design and implementation of key controls implemented by management.
- Obtained value-in-use calculations prepared by management for the development costs work-in-progress and tested the reasonableness of key assumptions used in the calculations, 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.

# Independent Auditors' Report (cont.)

## INDEPENDENT AUDITORS' REPORT

### PERTAMA DIGITAL BERHAD

Registration No.: 198401002327 (114842-H)

## Company

### Impairment review of investment in a subsidiary

Refer to "Investments in subsidiaries" and "Significant Accounting Judgements and Estimations" in notes 7 and 4(iv) to the financial statements respectively.

#### *The risk*

As at the balance sheet date, the Company has an investment in a subsidiary with a carrying amount of RM3,000,000.

The management identified certain indicators of impairment and, tested the carrying amount of investment in a subsidiary for impairment by assessing the value in use based on the approved cash flow projections and business plans of a subsidiary.

This involved a comparison of the cost of investment to its recoverable amount of the cash-generating unit determined based on the value in use.

As a result, in the current financial year, the Company recognised impairment loss of RM15,346,000 in profit or loss due to lower assessed recoverable amount of the subsidiary as compared to its carrying amount at the end of reporting period.

This area was significant to our audit because the impairment assessment involved significant management judgement which required the management to make various assumptions in the underlying cash flow forecasts. For these reasons, we have identified this as a key audit matter.

#### *Our response*

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

- Obtained an understanding of management's internal process for investment in a subsidiary 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.

#### *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.

# Independent Auditors' Report (cont.)

## **INDEPENDENT AUDITORS' REPORT**

### **PERTAMA DIGITAL BERHAD**

Registration No.: 198401002327 (114842-H)

#### ***Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)***

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.

## Independent Auditors' Report (cont.)

### *Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

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

- 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.

# Independent Auditors' Report (cont.)

## INDEPENDENT AUDITORS' REPORT

### PERTAMA DIGITAL BERHAD

Registration No.: 198401002327 (114842-H)

#### *Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

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

03400/11/2024 J

Chartered Accountant

Kuala Lumpur

# Statement of Financial Position

## as at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	199	152	4	-
Other intangible assets	6	8,274	5,322	-	-
Investments in subsidiaries	7	-	-	3,000	18,346
Goodwill	8	-	-	-	-
Other receivables	11	-	-	11,340	-
		8,473	5,474	14,344	18,346
<b>CURRENT ASSETS</b>					
Trade receivables	9	209	376	-	-
Contract assets	10	41	22	-	-
Other receivables, deposits and prepayments	11	10,085	10,872	5,432	10,636
Current tax asset		22	12	-	-
Investment fund	12	102,709	-	-	-
Fixed deposits with licensed banks	12	8,148	8,663	8,140	8,633
Cash and bank balances	12	55,954	133,611	32	145
		177,168	153,556	13,595	19,414
<b>TOTAL ASSETS</b>		<b>185,641</b>	<b>159,030</b>	<b>29,939</b>	<b>37,760</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	13	59,107	48,816	59,107	48,816
Reserves		(39,556)	(33,934)	(31,718)	(13,102)
Equity attributable to owners of the Company		19,551	14,882	27,389	35,714
Non-controlling interests		(3,840)	1,059	-	-
<b>TOTAL EQUITY</b>		<b>15,711</b>	<b>15,941</b>	<b>27,389</b>	<b>35,714</b>

# Statement of Financial Position (cont.)

## as at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>CURRENT LIABILITIES</b>					
Trade payables	14	346	475	-	-
Other payables and accruals	15	161,566	134,614	532	2,046
Contract liabilities	16	18	-	18	-
Bank borrowing	17	8,000	8,000	-	-
<b>TOTAL LIABILITIES</b>		169,930	143,089	550	2,046
<b>TOTAL EQUITY AND LIABILITIES</b>		185,641	159,030	29,939	37,760

The accompanying notes form an integral part of the financial statements

## Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<i>Continuing operations</i>					
Revenue	18	6,182	8,779	6,728	942
Cost of sales		(3,687)	(5,972)	-	-
Gross profit		2,495	2,807	6,728	942
Other income		6	1,253	3	9,482
Selling and distribution expenses		(648)	(387)	-	-
Administrative and general expenses		(11,781)	(12,901)	(9,865)	(6,624)
Loss allowance on trade receivables		(32)	-	-	-
Other expenses		(136)	(304)	(15,482)	(381)
Finance costs		(437)	(373)	-	-
(Loss)/Profit before tax	19	(10,533)	(9,905)	(18,616)	3,419
Taxation	20	12	(13)	-	-
<i>Discontinued Operations</i>					
Loss for the financial year	21	-	(28,094)	-	-
<b>Total (Loss)/Profit for the financial year</b>		<b>(10,521)</b>	<b>(9,918)</b>	<b>(18,616)</b>	<b>3,419</b>
<b>Other comprehensive income, net of tax:</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		-	1,358	-	-
<b>Total comprehensive (loss)/ profit for the financial year</b>		<b>(10,521)</b>	<b>(36,654)</b>	<b>(18,616)</b>	<b>3,419</b>



## Statement of Profit or Loss and Other Comprehensive Income (cont.)

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>Total (loss)/profit for the financial year attributable to:</b>					
Owners of the Company		(5,622)	(37,434)	(18,616)	3,419
Non-controlling interests		(4,899)	(578)	-	-
		(10,521)	(38,012)	(18,616)	3,419
=====					
<b>Total comprehensive (loss)/income for the financial year attributable to:</b>					
Owners of the Company		(5,622)	(36,076)	(18,616)	3,419
Non-controlling interests		(4,899)	(578)	-	-
		(10,521)	(36,654)	(18,616)	3,419
=====					
Loss per share (sen)	22				
Basic:					
- continuing operations		(1.29)	(2.16)		
- discontinued operations		-	(6.48)		
Diluted:					
- continuing operations		(1.29)	(2.16)		
- discontinued operations		-	(6.48)		

The accompanying notes form an integral part of the financial statements

# Statement of Changes in Equity

## for the Financial Year Ended 31 December 2023

<----- Attributable to Owners of the Company ----->

<-- Non-Distributable -->

Distributable

Group	Note	Share capital	Statutory Reserves	Reserves classified as held for sale	Accumulated losses	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022		48,816	17,942	55,755	4,837	127,350	(5,073)	122,277
Loss for the financial year		-	-	-	(37,434)	(37,434)	(578)	(38,012)
Other comprehensive income for the financial year								
- Foreign currency translation differences		-	-	1,358	-	1,358	-	1,358
Total comprehensive income/(loss) for the financial year		-	-	1,358	(37,434)	(36,076)	(578)	(36,654)
Profit guarantee refund		-	-	-	-	-	6,710	6,710
Transfer to statutory reserves		-	1,337	-	(1,337)	-	-	-
Disposal of a subsidiary	23	-	(19,279)	(57,113)	-	(76,392)	-	(76,392)
At 31 December 2022		48,816	-	-	(33,934)	14,882	1,059	15,941
Loss for the financial year		-	-	-	(5,622)	(5,622)	(4,899)	(10,521)
Total comprehensive loss for the financial year		-	-	-	(5,622)	(5,622)	(4,899)	(10,521)
Issue of share		10,291	-	-	-	10,291	-	10,291
At 31 December 2023		59,107	-	-	(39,556)	19,551	(3,840)	15,711

## Statement of Changes in Equity (cont.) for the Financial Year Ended 31 December 2023

Company	Note	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2022		48,816	(16,521)	32,295
Total comprehensive income for the financial year		-	3,419	3,419
At 31 December 2022		48,816	(13,102)	35,714
Total comprehensive loss for the financial year		-	(18,616)	(18,616)
Issuance of shares	13	10,291	-	10,291
At 31 December 2023		59,107	(31,718)	28,389

The accompanying notes form an integral part of the financial statements

# Statement of Cash Flows

## for the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>OPERATING ACTIVITIES</b>					
(Loss)/Profit before tax					
- continuing operations		(10,533)	(9,905)	(18,616)	3,419
- discontinued operations		-	(25,155)	-	-
Adjustments for:					
Amortisation of development costs		474	416	-	-
Depreciation of property, plant and equipment		58	44	-	-
Dividend income		-	(321)	-	-
Negative goodwill		-	(515)	-	-
Addition/(Reversal) of impairment loss on investment in a subsidiary		-	-	15,346	(5,787)
Interest expense		437	373	-	-
Interest income		(217)	(964)	(933)	(942)
Inventories written down		-	917	-	-
Bad debts written off		-	3,416	-	-
Loss allowance on trade receivables		32	-	-	-
Loss on re-measurement to fair value less costs to sell		-	40,941	-	-
Loss/(Gain) on disposal of a subsidiary		-	4,572	-	(2,965)
Property, plant and equipment written off		-	659	-	-
Share of results of joint ventures		-	(979)	-	-
Unrealised gain on foreign exchange		-	(3,159)	-	(3,159)
Operating (loss)/profit before working capital changes		(9,749)	10,340	(4,203)	(9,434)
Changes in inventories		-	(1,420)	-	-
Changes in receivables		(495)	2,769	(5,411)	(29)
Changes in payables		(683)	(3,185)	(1,496)	1,355
Cash (used in)/generated from operations		(10,927)	8,504	(11,110)	(8,108)
Interest received		217	964	217	226
Tax received/(paid), net		2	(1,943)	-	-
Net cash (used in)/generated from operating activities		(10,708)	7,525	(10,893)	(7,882)

# Statement of Cash Flows (cont.)

## for the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>					
Addition of development costs		(3,426)	(3,341)	-	-
Acquisition of property, plant and equipment		(105)	(45)	(4)	
Acquisition of short-term investments, net		-	(8,462)	-	-
Uplift of fixed deposits, net		-	572	-	-
Net outflow from disposal of a subsidiary		-	(20,589)	-	-
Receipt of profit guarantee refund		1,398	-	-	-
Dividend income received from a former joint venture		-	321	-	-
Net cash used in investing activities		2,133	(31,544)	(4)	-
<b>FINANCING ACTIVITIES</b>					
Decrease/(Increase) in pledged deposit		23	(30)	-	-
Proceed from issuance of shares		10,291	-	10,291	-
Interest paid		(437)	(373)	-	-
Net cash generated from/(used in) financing activities		9,877	(403)	10,291	-
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>		<b>(2,964)</b>	<b>(24,422)</b>	<b>(606)</b>	<b>(7,882)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>2,560</b>	<b>26,982</b>	<b>778</b>	<b>8,660</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	13	<b>(404)</b>	<b>2,560</b>	<b>172</b>	<b>778</b>

The accompanying notes form an integral part of the financial statements

# Notes to the Financial Statements

## for the Financial Year Ended 31 December 2023

### **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 consolidated financial statements of the Company comprise the Company and its subsidiaries (collectively referred to as the "Group").

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 year.

### **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 material accounting policies which are set out in note 3.

#### Application of new amendments

In the current financial year, the Group and the Company have applied a number of new amendments that became effective mandatorily for the financial year beginning on or after 1 January 2023. The adoption of the new amendments did not have significant impact on the disclosures or on the amounts reported in the financial statements.

# Notes to the Financial Statements

## for the Financial Year Ended 31 December 2023

### 2. BASIS OF PREPARATION (CONT'D)

#### Amendments issued that are not yet effective

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

		<i>Effective Date</i>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale of Contribution in Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

The adoption of the above amendments 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. MATERIAL 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

Acquisitions of businesses are accounted for using the acquisition method.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 3. MATERIAL 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.



## **Notes to the Financial Statements (cont.)**

### **for the Financial Year Ended 31 December 2023**

#### **3. MATERIAL 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 re-attributed 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

(ii) Functional and foreign currencies (cont'd)

(b) Foreign operations (cont'd)

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 (with the exception of trade receivables that do not contain a significant financing component) 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

(iii) Financial instruments (cont'd)

(a) Financial assets (cont'd)

#### *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.

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.

# Notes to the Financial Statements

## for the Financial Year Ended 31 December 2023

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

#### (iii) Financial instruments (cont'd)

##### (a) Financial assets (cont'd)

###### *Debt instruments (cont'd)*

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.

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 derecognition of the financial liability.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

(iii) Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(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.

(d) 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

- (iii) Financial instruments (cont'd)
- (e) 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.

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 year 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) 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.

## **Notes to the Financial Statements (cont.)**

### **for the Financial Year Ended 31 December 2023**

#### **3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

(v) Property, plant and equipment (cont'd)

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

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:

Computer	5 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	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.

(vi) Intangible assets

(a) Goodwill

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

(b) Other Intangible assets - development costs

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

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

(vi) Intangible assets (cont'd)

(b) Other Intangible assets - development costs (cont'd)

- 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 are 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.

(vii) 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.

(viii) Cash and cash equivalents

Cash and cash equivalents comprise cash on 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.

For the purpose of the statement of cash flows, cash and cash equivalents are presented net of fixed deposits with tenure more than three months, pledged fixed deposits and restricted bank balances and deposits.



# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### (ix) 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, 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.

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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### (ix) Impairment (cont'd)

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

###### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; or
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial instrument to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term;
- The financial asset has external credit rating of 'investment grade' in accordance with the globally understood definition.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### (ix) Impairment (cont'd)

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

###### *Definition of default*

The Group considers a financial asset to be in default when contractual payments are more than 90 days past due, unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group also considers a financial asset is in default when there is a breach of financial covenants by the debtor; or when there is indication that the debtor is unlikely to settle its indebtedness to the Group in full, without considering any collaterals held by the Group.

###### *Credit-impaired financial asset*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or being more than 90 days past due;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties.

##### (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.

## **Notes to the Financial Statements (cont.)**

### **for the Financial Year Ended 31 December 2023**

#### **3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

(ix) Impairment (cont'd)

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

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.

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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

(x) 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.

(xi) 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.

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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

(xi) Income taxes (cont'd)

(b) Deferred tax (cont'd)

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.

(xii) 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.

(xiii) 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 year, 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.

(xiv) 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### (xiv) Fair value measurements (cont'd)

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.

#### (xv) 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

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

*Rendering of services*

Revenue from providing mobile and digital solutions services is recognised at a point in time when the relevant services are rendered or is recognised over time using the effective interest method.

*Income from other sources*

*Interest income*

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

*Dividend Income*

Dividend income is recognised when the right to receive payment is established.

(xvi) 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.

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.



# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### (xvii) 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 those estimated future 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.

#### (xviii) 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### **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.

#### Judgement made in applying accounting policies

The significant judgement 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 is as follows:

#### *Capitalisation of development costs*

The management monitors progress of research and development projects on an ongoing basis in accordance with the Group's research and development policy. Significant judgement is involved in distinguishing the research and the development phases of a project and are dependent on expectations of future events.

The management capitalises qualifying costs incurred in development phase of a product development project in accordance with the Group's accounting policy. Capitalised development costs are measured at cost less accumulated amortisation and impairment losses, if any. The capitalisation of development costs is based on the management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to the Group's research and development policy. In determining the amounts to be capitalised, the management estimates the future cash flows of the projects, useful lives of the development costs and discount rates.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### Key Estimation and Assumption

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:

(i) *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.

(ii) *Determining the loss allowance for non-trade receivables*

Management assesses the ECL of receivables (other than trade receivables and lease receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercises considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### Key Estimation and Assumption (cont'd)

#### *(iii) Depreciation of property, plant and equipment and amortisation of development costs*

The Group's management determines the estimated useful lives and residual values for its property, plant and equipment and development costs based on the historical experience of the actual useful lives of the assets commercial factors which could change significantly as a result of technical innovations and competitor's actions in response to the current 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/amortisation charges could be revised. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives.

#### *(iv) Impairment of non-financial assets*

The management performed impairment testing for other non-financial assets, and if there is indication of possible impairment identified at the reporting date.

The Group determines whether their non-financial assets are 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.

#### *(v) 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 performed the impairment testing on 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.

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# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

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

#### Key Estimation and Assumption (cont'd)

##### *(vi) 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.

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 5. PROPERTY, PLANT AND EQUIPMENT

	Computer	Furniture and Fittings	Motor Vehicles	Office Equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<i>Cost</i>					
As at 1 January 2023	318	5	146	10	479
Additions	105	-	-	-	105
As at 31 December 2023	423	5	146	10	584
<i>Accumulated depreciation</i>					
As at 1 January 2023	166	5	146	10	327
Depreciation for the year	58	-	-	-	58
As at 31 December 2023	224	5	146	10	385
<i>Carrying amount</i>					
As at 31 December 2023	199	-	-	-	199

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

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

	Computer	Furniture and Fittings	Motor Vehicles	Office Equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<i>Cost</i>					
As at 1 January 2022	273	5	146	10	434
Additions	45	-	-	-	45
As at 31 December 2022	318	5	146	10	479
<i>Accumulated depreciation</i>					
As at 1 January 2022	122	5	146	10	283
Depreciation for the year	44	-	-	-	44
As at 31 December 2022	166	5	146	10	327
<i>Carrying amount</i>					
As at 31 December 2022	152	-	-	-	152

	Computer RM'000
<b>Company</b>	
<i>Cost</i>	
As at 1 January 2023	-
Additions	4
As at 31 December 2023	4
<i>Accumulated depreciation</i>	
As at 1 January 2023/31 December 2023	-
<i>Carrying amount</i>	
As at 31 December 2023	4

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 6. OTHER INTANGIBLE ASSETS

<b>Development Costs</b>	<b>Note</b>	<b>Available for use RM'000</b>	<b>Work-in- progress RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<i>Cost</i>				
As at 1 January 2022		2,443	357	2,800
Addition		-	3,341	3,341
At 1 December 2022		2,443	3,698	6,141
Addition		-	3,426	3,426
Transfer from/(to)		3,614	(3,614)	-
At 31 December 2023		6,057	3,510	9,567
<i>Accumulated amortisation</i>				
At 1 January 2022		403	-	403
Charge for the year		416	-	416
At 1 December 2022		819	-	819
Charge for the year		474	-	474
At 31 December 2023		1,293	-	1,293
<i>Carrying amount</i>				
At 31 December 2023		4,764	3,510	8,274
At 31 December 2022		1,624	3,698	5,322



# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 6. OTHER INTANGIBLE ASSETS (CONT'D)

The development costs during the financial year include the following:

	2023	2022
	RM'000	RM'000
Employee benefit expenses	2,755	1,874
	=====	=====

Development costs of the Group relates to expenditure incurred for the development of various mobile and digital solutions of the Group.

Development costs are amortised for 10 years, and is recognised as expenses in the "cost of sales". At the end of reporting year, the development costs available for use and development cost work-in-progress were tested for impairment. No impairment loss was recognised during the financial year as the recoverable amount of the CGU exceeded its carrying amount (2022: Nil).

The value in use is determined using a discounted cash flow model, based on approved cash flow projections and business plans.

The value in use computation is based on the following key assumptions:

- The anticipated compound annual revenue growth rate included in the cash flow projects is around 8.59% (2022: 24%) during the forecasted periods based on current available data adjusted for expected growth.
- The discount rate of 12.77% (2022: 7.64%) is used, which is the management's estimation that reflects the current market assessment applicable to the industry.

#### *Sensitivity analysis*

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 development costs work-in-progress to materially exceed its recoverable amount. As such, no sensitivity analysis was disclosed.

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 7. INVESTMENTS IN SUBSIDIARIES

	Note	2023 RM'000	2022 RM'000
<b>Company</b>			
Unquoted shares in Malaysia			
As at 1 January		18,346	12,559
(Addition)/Reversal of impairment	(a)	(15,346)	5,787
At 31 December		3,000	18,346

The details of the subsidiaries are as follows:

Name of subsidiaries	Equity Interest		Principal place of business and		Principal activities
	Direct	Indirect	place of	incorporation	
	2023 %	2022 %	2023 %	2022 %	
Television Airtime Services Sdn Bhd ("TAS")	51	51	-	-	Malaysia Investment holding
<i>Held through TAS</i> Dapat Vista (M) Sdn Bhd ("DVSB")	-	-	40.8	40.8	Malaysia Business of mobile application and payment gateways

(a) Impairment losses

Movement in impairment of investments in subsidiaries are as follows:

	2023 RM'000	2022 RM'000
<b>Company</b>		
As at 1 January	-	5,787
(Addition)/Reversal of impairment	15,346	(5,787)
At 31 December	15,346	-

## **Notes to the Financial Statements (cont.)**

### **for the Financial Year Ended 31 December 2023**

#### **7. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

##### **(a) Impairment losses (cont'd)**

In assessing and performing impairment testing, the Group assessed the recoverability of its investment based on latest financial position and performance of the subsidiaries, discounted cash flow and business plans.

In current financial year, an impairment loss on cost of investment in a subsidiary amounting to RM15,346,000 was recognised in "other expense" in profit or loss based on the estimated recoverable amount of the cash-generating unit derived from cash flow projections which is lower than its carrying amount.

In previous financial years, a reversal of impairment loss on cost of investment in a subsidiary amounting to RM5,787,000 was recognised in "other income" in profit or loss based on the estimated recoverable amount of the cash-generating unit derived from cash flow projections which is higher than its carrying amount.

Value in use was determined by discounting the future cash flows projections based on the following key assumptions:

##### **(i) Revenue growth rate**

The anticipated compound annual revenue growth rate included in the cash flow projects is around 8.59% (2022: 24%) during the forecasted periods based on the average growth achieved in previous years adjusted for expected growth.

##### **(ii) Discount rate**

Discount rate used by management for discounting purpose is the Company's weighted average cost of capital adjusted. The discount rate used was pre-tax at 16.46% (2022: 7.64%).

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Impairment losses (cont'd)

(ii) Discount rate (cont'd)

The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs is as follows:

	Change in assumption, holding other inputs constant	Additional Impairment loss RM
<b>2023</b>		
Pre-tax discount rate	Increased by 2 percentage point	2.01 million
Revenue growth rate	Decreased by 5 percentage point	3.00 million

(b) 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	
	2023 %	2022 %	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
DVSB	59.20	59.20	(3,591)	67	(4,182)	(592)

\* Amounts before intra-group elimination

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Material non-controlling interests in a subsidiary (cont'd)

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

	2023	2022
	RM'000	RM'000
<b>DVSB</b>		
Non-current assets	8,484	5,474
Current assets	169,329	149,067
Current liabilities	(169,706)	(140,369)
Equity attributable to the owners	(8,107)	(14,172)
	=====	=====
Revenue	5,965	8,551
(Loss)/Profit for the year	(6,066)	208
	=====	=====

### 8. GOODWILL

		2023	2022
	Note	RM'000	RM'000
<b>Group</b>			
As at 1 January		-	4,110
Profit guarantee refund	(a)	-	(4,110)
		-----	-----
At 31 December		-	-
		=====	=====

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 8. GOODWILL (CONT'D)

Goodwill on acquisition of subsidiaries is allocated at the date of acquisition, to the mobile and digital solutions segment 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) Profit guarantee from vendor

The Company had on 23 April 2020 entered into a Share Sales Agreement (“SSA”) with the Vendor, which is also director and shareholder of the Company for the acquisition of 51% in TAS. Pursuant to the SSA, the Vendor agreed to provide a profit guarantee to the Group that DVSB shall achieve a minimum aggregate audited net profit after tax of RM9,000,000 for the financial years ending 31 December 2020, 2021 and 2022 (“profit guarantee period”), with excluding extraordinary items. As DVSB had not generated the minimum aggregated profit within the profit guarantee period, the Vendor shall be liable to compensate the shortfall in cash and based on the SSA, the amount is payable to DVSB.

In prior financial year, the Group recognised the profit guarantee refund from the vendor as pre-acquisition reserves, with a consequential effect with recognition of a negative goodwill of RM515,000, which was recognised in “other income and gains” of profit or loss of the previous financial year.

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 9. TRADE RECEIVABLES

	2023 RM'000	2022 RM'000
<b>Group</b>		
Receivables from contracts with customers	209	376
	=====	=====

Customers are granted a credit period between 30 to 120 (2022: 30 to 120) days. Other credit terms are assessed and approved on a case-by-case basis.

#### 10. CONTRACT ASSETS

	2023 RM'000	2022 RM'000
<b>Group</b>		
Contract assets	41	22
	=====	=====

- (a) 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.
- (b) The movement is summarised as below:

	2023 RM'000	2022 RM'000
At 1 January	22	2,178
Revenue recognised	1,343	5,410
Invoiced to customers	(1,324)	(7,566)
	=====	=====
At 31 December	41	22
	=====	=====

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2023 RM'000	2022 RM'000
<b>Group</b>			
Other receivables		623	129
Amount owing by a director	(a)	9,236	10,634
Deposits		133	28
Prepayments		93	81
		10,085	10,872
		10,085	10,872

	Note	2023 RM'000	2022 RM'000
<b>Company</b>			
<u>Non-current asset</u>			
Amount owing by a subsidiary	(b)	11,340	-
		11,340	-
		11,340	-
<u>Current asset</u>			
Amount owing by a subsidiary		5,326	10,624
Other receivables	(b)	7	-
Deposits		88	8
Prepayments		2	4
		5,423	10,636
		5,423	10,636

- (a) The amount owing by a director represents profit guarantee refund receivable related to acquisition of DVSB as disclosed in note 8(a) to the financial statements.
- (b) The amount owing by a subsidiary under non-current asset is non-trade advances for working capital, unsecured, subject to interest rate of 5% (2022: 8%) per annum, and not expected to be received within the next 12 months.
- (c) The amount owing by a subsidiary under current asset is non-trade advances for working capital, unsecured, subject to interest rate of 8% (2022: 8%) per annum, and receivable on demand.



## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 12. CASH AND CASH EQUIVALENTS

	2023 RM'000	2022 RM'000
<b>Group</b>		
Investment fund	102,709	-
Fixed deposits	8,148	8,663
Bank balances	55,954	133,611
<i>Subtotal</i>	166,811	142,274
Less: Restricted investment fund	(100,750)	-
Less: Pledged fixed deposits	(8,007)	(8,030)
Less: Restricted bank balances	(58,458)	(131,684)
Total cash and cash equivalents	(404)	2,560
<b>Company</b>		
Fixed deposits	8,140	8,633
Bank balances	32	145
	8,172	8,778
Less: Pledged fixed deposits	(8,000)	(8,000)
Total cash and cash equivalents	172	778

As at reporting date, the fixed deposits of RM8,007,000 (2022: RM8,030,000) is pledged for the credit facilities of subsidiary as disclosed in note 17. The fixed deposits with licensed banks of the Group's and of the Company's bore effective interest rates of 2.60% per annum (2022: 2.00%) respectively. These deposits have an average maturity period of one month (2022: one month). Accordingly, these are not available for general use by the Group.

Restricted bank balances and restricted investment fund represent balances that cannot be withdrawn without the permission of third parties and are subject for refundable as disclosed in note 15 to the financial statements. Accordingly, these are not available for general use by the Group.

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 13. SHARE CAPITAL

Group and Company	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
At 1 January	433,361	433,361	48,816	48,816
Issue of share capital	4,850	-	10,291	-
At 31 December	438,211	433,361	59,107	48,816

During the financial year, the Company issued 4,850,000 placement shares under the placement, raising net proceeds of RM 10.3 million.

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.

#### 14. TRADE PAYABLES

The credit periods granted by trade payables ranged between 30 to 90 (2022: 30 to 90) days.

#### 15. OTHER PAYABLES AND ACCRUALS

	Note	2023 RM'000	2022 RM'000
<b>Group</b>			
Other payables		-	2,160
Restricted balances	(a)	159,208	131,684
Accruals		2,358	770
		161,566	134,614
<b>Company</b>			
Amount owing to a subsidiary	(b)	-	924
Accruals		532	1,122
		532	2,046

## Notes to the Financial Statements (cont.) for the Financial Year Ended 31 December 2023

### 15. OTHER PAYABLES AND ACCRUALS (CONT'D)

- (a) Restricted balances are refundable and arose from restricted bank balances and restricted investment fund as disclosed in note 12 to the financial statements.
- (b) The amount owing to a subsidiary was non-trade in nature, unsecured, interest-free and repayable on demand. The settlement of amount owing to a subsidiary forms part of the working capital management of the Company.

### 16. CONTRACT LIABILITIES

Movement in contract liabilities:

	2023 RM'000	2022 RM'000
<b>Group and Company</b>		
At 1 January	-	-
Consideration received	18	-
At 31 December	18	-

Revenue relating to consultancy services is recognised over time, while the customers pay up-front in portion. A contract liability is recognised upon collection of transaction price and being recognised as revenue over the service period.

### 17. BANK BORROWING

	2023 RM'000	2022 RM'000
<b>Group</b>		
Revolving credit	8,000	8,000

The interest rate of revolving credit of the Group is at cost of fund plus 2% (2022: 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 12;
- ii) Personal guarantee by a director of the Company; and
- iii) Corporate guarantee from the Company.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 17. BANK BORROWING (CONT'D)

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

Group	2023 RM'000	2022 RM'000
At 1 January	8,000	8,000
<i>Cash flow:</i>		
Interest paid	(437)	(373)
<i>Non-cash:</i>		
Interest expenses	437	373
At 31 December	8,000	8,000

### 18. REVENUE

Group and Company	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<i>Revenue from contracts with customers</i>				
Rendering of services	5,965	8,551	5,795	-
<i>Revenue from other sources</i>				
Interest income	217	228	933	942
	6,182	8,779	6,728	942
<b>Analysis of revenue</b>				
<i>Geographical Areas</i>				
Domestic	6,182	8,779	6,728	942
<i>Timing of Revenue Recognition</i>				
At a point in time	5,164	8,034	5,795	-
Over time	801	517	-	-

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 the performance obligations are expected to be completed within the next 12 months.

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 19. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<i>(Loss)/Profit before tax is stated after charging/(crediting):</i>				
Auditors' remuneration:				
- statutory audit:				
- auditors of the Company	180	201	71	92
- other auditors	-	111	-	111
- other assurance engagements:				
- auditors of the Company	15	14	10	10
Amortisation of development costs	474	416	-	-
Depreciation of property, plant and equipment	58	44	-	-
Addition/(Reversal) of impairment loss on investment in a subsidiary	-	-	15,346	(5,787)
Negative goodwill	-	(515)	-	-
Interest income	(217)	(964)	(933)	(942)
Loss allowance on trade receivables	32	-	-	-
Loss/(Gain) on disposal of a subsidiary	-	4,572	-	(2,965)
Rental of short term assets	381	137	287	60
Net unrealised gain on foreign exchange	-	(3,159)	-	(3,159)
Net realised (gain)/loss on foreign exchange	(7)	3,541	(7)	3,541
Staff costs:				
- short-term employee benefits	6,358	3,786	4,969	2,192
- defined contribution benefits	671	375	576	296
	=====	=====	=====	=====

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 20. TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Continuing operations</i>				
<u>Current tax</u>				
- current financial year	-	13	-	-
- prior financial year	(12)	-	-	-
	(12)	13	-	-
<i>Discontinued operations</i>				
<u>Current tax</u>				
- current financial year	-	2,939	-	-
Total	(12)	2,952	-	-

The corporation income tax rate (the “applicable tax rate”) in Malaysia is 24% (2022: 24%). The taxation for other jurisdictions is calculated at the tax rate prevailing in the respective jurisdiction.

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial year	(10,533)	(38,012)	(18,616)	3,419
Tax expense	-	2,952	-	-
(Loss)/Profit from continuing and discontinued operations before tax	(10,533)	(35,060)	(18,616)	3,419
Tax calculated at the applicable tax rate	(2,528)	(8,414)	(4,468)	821
Non-deductible expenses	919	12,095	4,468	1,455
Non-taxable income	-	(390)	-	(2,276)
Effects of differential in tax rates of subsidiaries	-	(158)	-	-
Changes in unrecognised deferred tax assets	1,609	(181)	-	-
Over estimated in prior years	(12)	-	-	-
	(12)	2,952	-	-

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 20. TAXATION (CONT'D)

The Group has not recognised deferred tax assets arising from the following temporary differences in the financial statements as it is not probable that future taxable profits will be available against which the assets can be utilised:

	2023 RM'000	2022 RM'000
Unutilised capital allowances	149	81
Unutilised tax losses	14,891	8,343
Others	336	248
	15,376	8,672
	15,376	8,672

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	
	2023 RM'000	2022 RM'000
Expire in 2028	3,919	3,919
Expire in 2030	2,699	2,420
Expire in 2031	2,004	2,004
Expire in 2033	6,269	-
	14,891	8,343
	14,891	8,343

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 21. LOSS FOR THE FINANCIAL PERIOD FROM DISCONTINUED OPERATIONS (CONT'D)

The Company has disposed the entire equity interest in its production and sale of fabric products business segment on 10 August 2022.

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

Group	1.1.2022 to 10.8.2022
	RM'000
Revenue	42,870
Cost of sales	(30,460)
Gross profit	12,410
Other income and gains	5,206
Distribution and marketing expenses	(354)
Administrative and general expenses	(2,455)
Share of result of a joint venture, net of tax	979
Results from operating activities	15,786
Tax expense	(2,939)
Results from operating activities, net of tax	12,847
Loss on re-measurement to fair value less costs to sell	(40,941)
Loss after tax from discontinued operations	(28,094)
Attributable to:	
Owners of the Company	(28,094)



# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 21. LOSS FOR THE FINANCIAL PERIOD FROM DISCONTINUED OPERATIONS (CONT'D)

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

Group	1.1.2022 to 10.8.2022
	RM'000
Auditors' remuneration:	
- statutory audit:	111
Dividend income	(321)
Interest income	(736)
Inventories written down	917
Bad debts written off	3,416
Property, plant and equipment written off	659
Short-term lease income	(870)
Staff costs:	
- short-term employee benefits	2,397
- defined contribution benefits	186
	=====

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

Group	1.1.2022 to 10.8.2022
	RM'000
Net cash generated from operating activities	7,448
Net cash used in investing activities	(7,569)
Net cash used in discontinued operations	(121)
	=====

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 22. LOSS PER SHARE

Group	2023	2022
<i>Continuing operations</i>		
Loss for the financial year attributable to owners of the Company (RM'000)	(5,622)	(9,340)
Weighted average number of ordinary shares ('000)	435,873	433,361
Basic loss per share (sen)	(1.29)	(2.16)
<i>Discontinued operations</i>		
Loss for the financial year attributable to owners of the Company (RM'000)	-	(28,094)
Weighted average number of ordinary shares ('000)	-	433,361
Basic loss per share (sen)	-	(6.48)

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.

#### 23. 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. The key management personnel compensations during the financial year are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Directors of the Company</u>				
<i>Continuing operations</i>				
Short-term employee benefits:				
- fees	98	333	98	153
- salaries, bonuses and other benefits	815	682	35	81
	913	1,015	133	234
Defined contribution benefits	31	24	-	-
	944	1,039	133	234

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 23. KEY MANAGEMENT PERSONNEL COMPENSATIONS (CONT'D)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Other Key Management Personnel</u>				
Short-term employee benefits:				
- fees	1,589	125	1,589	125
- salaries, bonuses and other benefits	3,436	519	2,688	519
Defined contribution benefits	318	67	318	67
	5,343	711	4,595	711
<i>Discontinued operations</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	-	2,397	-	-
Defined contribution benefits	-	186	-	-
Total	-	2,583	-	-
<u>Other Key Management Personnel</u>				
Short-term employee benefits:				
Defined contribution benefits	-	14	-	-
Total	-	271	-	-

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 24. 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 year:

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

	2023 RM'000	2022 RM'000
<b>Company</b>		
Interest income		
received/receivable	716	716
Management fee charged to a subsidiary	5,795	-

### 25. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	2023 RM'000	2022 RM'000
<b>Group</b>		
<b>Financial assets at amortised cost</b>		
Trade receivables	209	376
Other receivables and deposits	9,992	10,791
Fixed deposits with licensed banks	8,148	8,663
Cash and bank balances	55,954	133,611
	74,303	153,441

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 25. FINANCIAL INSTRUMENTS (CONT'D)

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

	2023	2022
	RM'000	RM'000
<b>Group</b>		
<b>Financial asset at FVTPL</b>		
Investment fund	102,709	-
	=====	=====
<b>Financial liabilities at amortised cost</b>		
Trade payables	346	475
Other payables and accruals	161,566	134,614
Bank borrowing	8,000	8,000
	-----	-----
	169,912	143,089
	=====	=====
<b>Company</b>		
<b>Financial assets at amortised cost</b>		
Other receivables and deposits	16,761	10,632
Fixed deposits with licensed banks	8,140	8,633
Cash and bank balances	32	145
	-----	-----
	24,933	19,410
	=====	=====
<b>Financial liability at amortised cost</b>		
Other payables and accruals	532	2,046
	=====	=====

*The above balances exclude prepayments and non-financial liabilities.*

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 25. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Fair value of financial instruments

The fair values of all other financial assets and financial liabilities at the end of the reporting period approximate their carrying amounts mainly due to their short-term maturities or insignificant effect of discounting.

The following summarises the methods used in determining the fair value of the financial instruments:

#### *Investment funds*

Fair value of short term investments has been determined by reference to the net assets value of the managed funds at the end of the reporting period as quoted by the fund managers.

The fair value of short term investments is classified under Level 2.

### 26. FINANCIAL RISK MANAGEMENT POLICIES

The Group's activities are exposed to following risks from interest rate risk, credit 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.

The board of directors are responsible for planning and establishing Group's risk management structure, formulating policies and appropriate guidelines to manage the risks identified.

#### (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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### **26. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

#### (a) Credit risk (cont'd)

##### *Trade receivables and contract assets (cont'd)*

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.

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 year.

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 26. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Credit risk (cont'd)

##### *Trade receivables and contract assets (cont'd)*

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

Group	Gross RM'000	Loss allowance RM'000	Net RM'000
<b>2023</b>			
Not past due	131	-	131
1 to 30 days past due	47	-	47
31 to 60 days past due	2	-	2
61 to 90 days past due	3	-	3
More than 90 days	58	(32)	26
	241	(32)	209
<b>2022</b>			
Not past due	303	-	303
1 to 30 days past due	34	-	34
31 to 60 days past due	7	-	7
61 to 90 days past due	3	-	3
More than 90 days	29	-	29
	376	-	376



## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 26. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Credit risk (cont'd)

###### *Receivables that are past due but not impaired*

The Group's has trade receivables amounting to RM78,000 (2022: RM73,000) that are past due at the reporting date but not impaired. 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	
	2023	2022
	RM'000	RM'000
At 1 January	-	9,327
Loss allowance for the year	32	-
Disposal of a subsidiary	-	(9,327)
At 31 December	32	-

###### *Trade receivables*

As at the end reporting period, the Group has no major concentration of credit risk relates to the amount owing by customers.

###### *Contract assets*

As the end of the reporting period, the Group's major concentration of credit risk in the form of contract assets from two customers (2022: two customers) representing approximately 61% (2022: 58%) 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.

###### *Amounts owing by a subsidiary and a director*

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

## **Notes to the Financial Statements (cont.)**

### **for the Financial Year Ended 31 December 2023**

#### **26. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

##### **(a) Credit risk (cont'd)**

###### *Amounts owing by a subsidiary and a director (cont'd)*

The amount owing by a subsidiary is 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 needs and 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.

The amount owing by a director is considered to have low credit risk and with no history of default, hence the credit risk is insignificant.

###### *Cash and cash equivalents*

The cash and cash equivalents are held with approved and reputable licensed banks 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 borrowing at end of reporting period.

The maximum exposure to credit risks amounts to RM8,000,000 (2022: RM8,000,000) 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.

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### **26. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

#### (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 fixed deposits and borrowing.

The Group's and the Company'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.

A sensitivity analysis has been performed based on the outstanding floating rate fixed deposit and borrowings of the Group and Company as at 31 December 2023. If interest rates increase or decrease by 50 basis points with all other variable held constant, the Group's and the Company's (loss)/profit after tax and equity would increase or decrease by RM6,000 and RM309,000 (2022: RM24,000 and RM308,000), respectively, as a result of higher or lower interest expense on these borrowings.

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the financial year.

#### (c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient fund 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 26(a) could be called, if any is within 1 year from the reporting date. As at the reporting date, the guarantee is fully collateralised by the fixed deposit from the Company.

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 1 year (2022: 1 year).

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 27. 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, obtain new borrowing or issuing new shares. No changes were made in the objectives, policies or processes during the financial year.

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. No changes in Group's approach to capital management during the year.

	2023 RM'000	2022 RM'000
Group continuing operations		
Bank borrowing	8,000	8,000
Less: Cash and cash equivalents	404	(2,560)
Debts	8,404	5,440
Total equity attributable to owners of the Company	19,551	14,882
Gearing ratio	0.43	0.37

#### 28. CAPITAL COMMITMENTS

	2023 RM'000	2022 RM'000
Group		
Approved and contract for:		
Development costs	-	293

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### **29. SEGMENT INFORMATION**

Operating segments are prepared in a manner consistent with the internal reporting provided to management as its chief operating decision maker (“CODM”) in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is summarised into business units based on their products and services provided, and the executive directors of the Group have been identified as the CODM.

#### (a) Segments

The reportable segments are as follows:

##### (i) Mobile and digital solutions

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

##### (ii) Investment

Investment holding and management services.

##### (iii) Production and sale of fabric products (discontinued)

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

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 29. SEGMENT INFORMATION (CONT'D)

(b) Business segments

2023	Mobile and digital solutions (continuing) RM'000	Investment (continuing) RM'000	Consolidated RM'000
Revenue	5,965	217	6,182
Represented by:			
Revenue recognised at a point in time			
- rendering of services	5,164	-	5,164
Revenue recognised over time			
- rendering of services	801	-	801
- other sources	-	217	217
			6,182
Results			
Segment loss	(7,235)	(12,070)	(19,305)
Consolidated adjustment			8,784
Consolidated loss before tax			(10,521)

# Notes to the Financial Statements (cont.)

## for the Financial Year Ended 31 December 2023

### 29. SEGMENT INFORMATION (CONT'D)

2023	Mobile and digital	Investment	Consolidated	
	solutions (continuing)	(continuing)		
	RM'000	RM'000	RM'000	
Included in the measure of segment loss				
Amortisation of development costs	474	-	474	
Depreciation of property, plant and equipment	58	-	58	
Interest expense	437	-	437	
Rental of short-term assets	94	287	381	
<hr/>				
2023				
Segment assets	169,093	8,274	177,367	
Development costs	8,274	-	8,274	
			<hr/>	
			185,641	
			<hr/>	
Segment liabilities	169,380	550	169,930	
<hr/>				
	Mobile and digital solutions (continuing)	Investment (continuing)	Production and sale of fabric products (discontinued)	Consolidated
	RM'000	RM'000	RM'000	RM'000
2022				
Revenue	8,553	226	43,606	52,385
<hr/>				
Represented by:				
Revenue recognised at a point in time				
- sale of goods	-	-	42,870	42,870
- rendering of services	8,034	-	-	8,034
<hr/>				
Revenue recognised over time				
- rendering of services	517	-	-	517
- other sources	2	226	736	964
				<hr/>
				52,385
<hr/>				
Results				
Segment (loss)/profit	(897)	3,420	15,786	18,309
Consolidated adjustment				(53,369)
Consolidated loss before tax				(35,060)
<hr/>				

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 29. SEGMENT INFORMATION (CONT'D)

	Mobile and digital solutions (continuing)	Investment (continuing)	Production and sale of fabric products (discontinued)	Consolidated
2022	RM'000	RM'000	RM'000	RM'000
Included in the measure of segment profit/(loss)				
Amortisation of development costs	416	-	-	416
Depreciation of property, plant and equipment	44	-	-	44
Dividend income	-	-	(321)	(321)
Negative goodwill	-	(515)	-	(515)
Interest expense	373	-	-	373
Inventories written down	-	-	917	917
Bad debts written off	-	-	3,416	3,416
Property, plant and equipment written off	-	-	659	659
Loss on re-measurement to fair value less cost to sell	-	-	40,941	40,941
Loss on disposal of a subsidiary	-	4,572	-	4,572
Rental of short-term assets	77	60	-	137
Short-term lease income	-	-	(870)	(870)
Share of result of joint ventures	-	-	(979)	(979)
=====				
2022				
Segment assets	144,918	8,790	-	153,708
Development costs	5,322	-	-	5,322
				-----
				159,030
				=====
Segment liabilities	141,968	1,121	-	143,089
=====				



## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 29. SEGMENT INFORMATION (CONT'D)

##### (c) Geographical areas (cont'd)

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

	2023 RM'000	2022 RM'000
<i>Continuing operations</i>		
Malaysia	6,182	8,779
<i>Discontinued operations</i>		
People's Republic of China ("PRC")	-	42,870
	6,182	51,649
	6,182	51,649

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

2023	At a point in time RM'000	Over time RM'000	Other sources RM'000	Total RM'000
<i>Continuing operations</i>				
Malaysia	5,164	801	217	6,182
	5,164	801	217	6,182
	5,164	801	217	6,182
<i>2022</i>				
<i>Continuing operations</i>				
Malaysia	8,034	517	228	8,779
<i>Discontinued operations</i>				
PRC	42,870	-	-	42,870
	50,904	517	228	51,649
	50,904	517	228	51,649

## Notes to the Financial Statements (cont.)

### for the Financial Year Ended 31 December 2023

#### 29. SEGMENT INFORMATION (CONT'D)

##### (c) Geographical areas (cont'd)

Major customer

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

	Revenue		Segment
	2023 RM'000	2022 RM'000	
<i>Malaysia</i>			
Customer A	-	4,293	Mobile and digital solutions
Customer B	2,828	-	
<i>PRC</i>			
Customer A	-	9,585	
Customer B	-	8,636	Production and sale of fabric products
Customer C	-	5,490	
	=====	=====	

#### 30. EVENTS OCCURRING DURING THE REPORTING PERIOD

- (i) On 10 August 2022, the Company announced that it has triggered Paragraph 8.03A(2)(a)(bb) of the Main Market Listing Requirements ("Main Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") immediately upon the completion of a major business disposal.

As such, the Company is classified as an Affected Listed Issuer under Paragraph 8.03A of the Main Market LR. Pursuant to Paragraph 8.04(3) of the Main Market LR, the Company is required to submit a regularisation plan to Bursa Securities within 12 months from the date it first announces that it is classified as an Affected Listed Issuer, i.e. on or before 9 August 2024.

The Company is firmly committed to swiftly tackling and assessing effective solutions to rectify its status as an affected listed issuer. Presently, the Company and its appointed advisors are diligently evaluating streamlined solutions to craft a comprehensive regularisation plan for submission to Bursa Securities within the designated time frame.

The Company will continue to make further announcements in relation to any latest development in accordance with the requirements under Paragraph 8.03A of the Main Market LR.

## **Notes to the Financial Statements (cont.)**

### **for the Financial Year Ended 31 December 2023**

#### **30. EVENTS OCCURRING DURING THE REPORTING PERIOD (CONT'D)**

- (ii) On 16 March 2023, the Company had entered into a conditional subscription agreement with Macquarie Bank Limited (“Investor”) in relation to the subscription by Investor of up to 43,000,000 new ordinary shares in the Company (“placement shares”), representing approximately 10% of Company’s total number of issued shares.

The first tranche, which represents approximately 19% of Company's total number of issued shares, will be utilised for working capital, roll out of coin conversion, and retirement of revolving credit facilities. The second tranche of the remaining total number of issued shares will be subjected to Bursa Securities approval and will be utilised as part of the regularisation plan to acquire businesses in the digital solutions sector.

On 11 August 2023, the Company and the investor mutually agreed to terminate the conditional subscription agreement effective 15 August 2023 with no subscriptions to be made up to such date, subject to the Company paying termination fee of RM2.5 million to the Investor by 15 August 2023.

The termination was decided by the Board after taking into consideration, amongst others, the Group’s current financial conditions as well as the adequacy of its financial resources for its on-going business activities. Barring unforeseen circumstances, save for the termination fee to be incurred by the Group of RM2.5 million, the termination is not expected to have any other material effect to the Group’s financial results for the financial year ending 31 December 2023.

The investor had confirmed on 15 August 2023 that it had received the termination fee paid by the Company. Following thereto, the Subscription Agreement is terminated with effect from 15 August 2023 and the Placement is deemed completed on even date.

As at 15 August 2023, the Company had issued 4,850,000 Placement Shares under the Placement, raising total gross proceeds of RM12.8 million.

- (iii) On 17 April 2023, the Company had entered into a Memorandum of Understanding (“MOU”) with Kridentia Tech Sdn Bhd (“KTSB”) to explore projects for the benefit of utilising Digital ID solutions and to design, develop and enhance other digital products and services for the benefit of Malaysians which includes joint participation in government projects.

The MOU was mutually terminated on 30 August 2023 as both parties could not reach an agreement for a suitable deal structure.

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# **Notes to the Financial Statements (cont.)**

## **for the Financial Year Ended 31 December 2023**

### **31. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The financial statements were authorised for issue by the board of directors on 22 April 2024.

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# Statement by Directors

**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 Wong Yoke Nyen, 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 15 to 85 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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financing 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**  
Director

**WONG YOKE NYEN**  
Director

# Statutory Declaration

**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 15 to 85 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  
above named Sabri bin Ab Rahman at  
Petaling Jaya in Selangor this

**SABRI BIN AB. RAHMAN**

Before me:

**SOLLEHAN SHAFURA BINTI ZAINUDDIN**  
Commissioner for Oath

# Analysis of Shareholdings

## Analysis of Shareholdings (as at 25 March 2024)

<b>Total number of issued shares</b>	438,210,812 Ordinary Shares
<b>Class of Shares</b>	Ordinary Shares
<b>Voting Right</b>	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	625	2	29,549	85	0.01	0.00
100 – 1,000	636	5	290,335	1,725	0.07	0.00
1,000 – 10,000	630	9	2,710,195	47,170	0.62	0.01
10,001 – 100,000	279	8	10,073,405	182,510	2.30	0.04
100,001 to less than 5% of issued shares	246	11	183,414,628	28,683,390	41.86	6.55
5% and above of issued shares	2	1	181,527,820	31,250,000	41.42	7.13
<b>Total</b>	<b>2,418</b>	<b>36</b>	<b>378,045,932</b>	<b>60,164,880</b>	<b>86.27</b>	<b>13.73</b>

## Analysis of Shareholdings (cont.)

### Substantial Shareholders

(based on the Register of Substantial Shareholders)

Name	Direct		Indirect	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Perfect Hexagon Commodity & Investment Bank Limited	99,845,400	22.78	-	-
Perfect Hexagon Limited	-	-	99,845,400*	22.78
Sim Tze Shiong	-	-	99,845,400*	22.78
MyPay Capital Sdn. Bhd.	44,000,000	10.04	-	-
Sabri Bin Ab. Rahman	10,226,438	2.33	44,000,000#	10.04
Tun Dato' Seri Zaki Bin Tun Azmi	-	-	44,000,000#	10.04
Tan Sri Dr. Nik Norzrul Bin Nik Hassan Thani	50,125,000	11.44	-	-
CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.)	31,250,000	7.13	-	-
CGS International Securities Group Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Holdings Sdn. Bhd.)	-	-	31,250,000^	7.13
CGS International Holdings Limited	-	-	31,250,000^	7.13
China Galaxy Securities Co., Ltd	-	7.13	31,250,000^	7.13



## Analysis of Shareholdings (cont.)

### Directors' Shareholdings

(based on Register of Directors' Shareholdings)

Name	Direct		Indirect	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Sabri Bin Ab. Rahman	10,226,438	2.33	44,000,000#	10.04
Tun Dato' Seri Zaki Bin Tun Azmi	-	-	53,847,000&	12.28
Tan Sri Dr. Nik Norzrul Bin Nik Hassan Thani	50,125,000	11.44	-	-
Datuk Ahmad Nazri Bin Abdullah	20,909,600	4.77	9,253,500@	2.11

### Notes

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

# Deemed interested through MyPay Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

^ Deemed interested through CGS International Securities Malaysia Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

& Deemed interested through MyPay Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016 and through spouse's shareholding by virtue of Section 59(1) of the Companies Act 2016.

@ Deemed interested by virtue of his son, pursuant to Section 8 of the Companies Act 2016.

## Analysis of Shareholdings (cont.)

### 30 Largest Shareholders as at 25 March 2024

No.	Name of Shareholders	Number of Shares	%
1	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Perfect Hexagon Commodity & Investment Bank Limited (ED)	99,000,000	22.59
2	CitiGroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for Kenanga Investors Bhd	82,527,820	18.83
3	CGS International Securities Malaysia Sdn. Bhd. IVT for EDIA	31,250,000	7.13
4	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ahmad Nazri Bin Abdullah	20,909,600	4.77
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt AN for Kenanga Investors Bhd	15,941,600	3.64
6	HSBC Nominees (Asing) Sdn. Bhd. For Societe Generale Paris	13,696,800	3.13
7	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Keith Kok Chee Shiong	9,974,700	2.28
8	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Perfect Hexagon Commodity & Investment Bank Limited for Sabri Bin Ab. Rahman	9,900,000	2.26
9	Amir Fazly Bin Ahmad Nazri	9,220,500	2.10
10	Nik Sazlina Binti Mohd Zain	8,847,000	2.02

## Analysis of Shareholdings (cont.)

### 30 Largest Shareholders as at 25 March 2024 (cont.)

No.	Name of Shareholders	Number of Shares	%
11	MERCSEC Nominees (Asing) Sdn. Bhd. General Reserve of Digital Assets Limited	6,036,500	1.38
12	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koon Poh Tat	5,000,000	1.14
13	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Keng Ten (MY4485)	4,567,800	1.04
14	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Hian Tat (MGN-CHT0002M)	4,013,000	0.92
15	Loh Yu Meng	3,000,000	0.68
16	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ching Hong Tat	2,497,300	0.57
17	Maybank Securities Nominees (Asing) Sdn. Bhd. Exempt AN for Maybank Securities Pte. Ltd. (A/C 648849)	2,399,500	0.55
18	Lai Yee Voon	2,190,500	0.50
19	Ng Sin Tat	2,000,000	0.46
20	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Yee Ling	1,934,500	0.44

## Analysis of Shareholdings (cont.)

### 30 Largest Shareholders as at 25 March 2024 (cont.)

No.	Name of Shareholders	Number of Shares	%
21	Che Umar Bin Yatim	1,900,000	0.43
22	CGS International Nominees Malaysia (Asing) Sdn. Bhd. CGS International Securities Singapore Pte. Ltd. (PROP A/C)	1,800,000	0.41
23	Goh Hong Lim	1,735,000	0.40
24	M&A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeo Chwen Shi (M&A)	1,650,000	0.38
25	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Yong Wah (MY1537)	1,635,300	0.37
26	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chee Hong Leong	1,500,000	0.34
27	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Soon Tiang	1,330,300	0.30
28	Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN for Barclays Capital Securities Ltd (SBL/PB)	1,271,600	0.29
29	Tiu Kee Guan	1,266,000	0.29
30	CitiGroup Nominees (Asing) Sdn. Bhd. Exempt AN for Kenanga Investors Bhd	1,163,480	0.27
	<b>Total</b>	<b>350,158,800</b>	<b>79.91</b>

# Notice of Annual General Meeting

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

## **NOTICE OF THE THIRTY-NINTH ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of Pertama Digital Berhad (“the Company”) (“39th AGM” or “Meeting”) will be held on a virtual basis at a venue in Malaysia where the Chairman is present using Remote Participation and Voting facilities via <https://web.vote2u.my> (Domain Registration No. D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Thursday, 27 June 2024 at 10:00 a.m. or at any adjournment thereof to transact the following businesses:

### **AGENDA**

#### **As Ordinary Business:**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of Directors and Auditors thereon. *(Please refer to Explanatory Notes)*
2. To approve the payment of Directors’ fees and benefits of up to an amount of RM522,000.00 for the period from 28 June 2024 until the next Annual General Meeting of the Company. *Ordinary Resolution 1*
3. To re-elect the following Directors, who are retiring in accordance with the Company’s Constitution, being eligible, have offered themselves for re-election:-
  - (a) Dato’ Dr. Suhazimah Binti Dzazali (Article 107(1)(b)) *Ordinary Resolution 2*
  - (b) Sabri Bin Ab. Rahman (Article 107(1)(b)) *Ordinary Resolution 3*
  - (c) Datuk Ahmad Nazri Bin Abdullah (Article 100) *Ordinary Resolution 4*
  - (d) Dato’ Faisal Zelman Bin Abdul Malik (Article 100) *Ordinary Resolution 5*
  - (e) Datuk Wira Shahrul Nazri Bin Abdul Rahim (Article 100) *Ordinary Resolution 6*
  - (f) Mohd Reza Bin Mohd Hatta (Article 100) *Ordinary Resolution 7*
  - (g) Chan Kah Hong (Article 100) *Ordinary Resolution 8*

## Notice of Annual General Meeting (cont.)

### As Ordinary Business:

4. To re-appoint Mazars PLT as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to determine their remuneration. *Ordinary Resolution 9*

### As Special Business:

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolution:-

5. **Ordinary Resolution** *Ordinary Resolution 10*  
**Authority to Allot and Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights**

“THAT pursuant to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and subject to the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

**AND FURTHER THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

**AND FURTHER THAT** pursuant to Section 85 of Companies Act 2016 to be read together with Article 56 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to the offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares of the Company pursuant to Section 75 and 76 of the Companies Act 2016”

## Notice of Annual General Meeting (cont.)

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

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)**

**TAN LEY THENG (SSM PC NO. 201908001685) (MAICSA 7030358)**

Company Secretaries

Kuala Lumpur

30 April 2024

### **Notes to the Notice of 39th AGM:**

#### **Virtual 39th AGM**

1. *The Meeting will be held as a virtual meeting at the Broadcast Venue. Members are advised to refer to the Administrative Guide for the 39th AGM on the registration and voting process for the Meeting.*
2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the Meeting. No shareholders or proxies should be physically present at the Broadcast Venue on the day of the 39th AGM.*

#### **Proxy**

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 20 June 2024 ("General Meeting Record of Depositors") 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, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

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## Notice of Annual General Meeting (cont.)

4. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *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 member is a corporation, shall either be executed under the Corporation’s Common Seal or under the hand of an officer or attorney duly authorised.*
6. *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 Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.*

*(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.*

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### **Explanatory Notes:**

**Agenda Item 1**  
**Audited Financial Statements for the financial year ended 31 December 2023**

*This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 (“Act”) does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*

**Agenda Item 2**

*Section 230(1) of the Act provides amongst others, that 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 of Directors (“Board”) agreed that shareholders’ approval shall be sought at the 39th AGM for payment of Directors’ fees and benefits (meeting allowance).*



# Notice of Annual General Meeting (cont.)

## **Explanatory Notes (cont.):**

### **Ordinary Resolution 1**

#### **Payment of Directors' Fees and Benefits of up to an amount of RM522,000.00 for the period from 28 June 2024 until the next AGM of the Company ("Applicable Period")**

The Ordinary Resolution 1 is to seek shareholders' approval for the payment of the Directors' fees and benefits of up to an amount of up to RM522,000.00 ("2024 Mandate Limit") for the period from 28 June 2024 until the next AGM of the Company.

The proposed payment of Directors' fees and benefits, if approved by the shareholders, 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 Applicable Period.

The Board will seek shareholders' approval at the next AGM in the event the 2024 Mandate Limit is insufficient to pay the Non-Executive Directors for their services for the Applicable Period.

### **Agenda Item 3**

#### **Ordinary Resolutions 2 to 8**

##### **Re-election of Directors**

The Nomination and Remuneration Committee ("NRC"), guided by the requirements of Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, had recommended the re-election of the following Directors pursuant to Article 107(1)(b) and Article 100 of the Constitution of the Company ("Retiring Directors"):-

- a) Dato' Dr. Suhazimah Binti Dzazali (Article 107(1)(b));
- b) Sabri Bin Ab. Rahman (Article 107(1)(b));
- c) Datuk Ahmad Nazri Bin Abdullah (Article 100)
- d) Dato' Faisal Zelman Bin Abdul Malik (Article 100);
- e) Datuk Wira Shahrul Nazri Bin Abdul Rahim (Article 100);
- f) Mohd Reza Bin Mohd Hatta (Article 100); and
- g) Chan Kah Hong (Article 100).

The Board has conducted a separate assessment and being satisfied with the performance/contribution of the Retiring Directors.

Each of the Directors who are standing for re-election had provided his declaration on his or her fitness and propriety to continue acting as Director of the Company pursuant to the Directors' Fit and Proper Policy of the Company.

The Board recommended the same be tabled to the shareholders for approval at the forthcoming 39th AGM of the Company under Ordinary Resolutions 2 to 8 respectively. The evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2023 of the Company. All the Retiring Directors have consented to their re-election and abstained from deliberations and voting in relation to their individual re-election at the NRC and Board Meetings, respectively.

# Notice of Annual General Meeting (cont.)

## **Explanatory Notes (cont.):**

### **Agenda Item 4**

#### **Ordinary Resolution 10**

#### **Authority to Allot and Issue Shares pursuant to the Act and Waiver of Pre-Emptive Rights**

The Company had been granted a general mandate by its shareholders at the 38th AGM of the Company held on 22 June 2023 ("Previous Mandate").

As at the date of this Notice of 39th AGM, the Company did not implement any proposal for new allotment of shares under the Previous Mandate. Therefore, no proceeds have been raised under the Previous Mandate.

The Company wishes to obtain the mandate on the authority to issue shares pursuant to the Act at the forthcoming 39th AGM (hereinafter referred to as the "General Mandate").

Pursuant to Section 85 of the Companies Act 2016 be read together with Article 56 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The General Mandate, if approved, will empower the Directors of the Company pursuant to the Act, from the date of the 39th AGM of the Company, to issue and allot shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

### **Statement Accompanying Notice of Annual General Meeting**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

#### **1. Details of individuals who are standing for election as Directors**

There is no individual standing for election as Director at the 39th AGM of the Company.

#### **2. Statement relating to General Mandate for Issue of Securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Notes of the Notice of the 39th AGM.

### **Personal Data Privacy**

By submitting form(s) of proxy appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate (including to pose questions to the Board of the Company) and vote at the 39th AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies or representatives appointed for the 39th AGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the 39th AGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) or corporate representative(s) or attorney(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or corporate representative(s) or attorney(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or corporate representative(s) or attorney(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# Form of Proxy



**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 (“the Company”)** (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-Ninth Annual General Meeting of the Company to be held virtual basis at a venue in Malaysia where the Chairman is present using Remote Participation and Voting facilities via <https://web.vote2u.my> (Domain Registration No. D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Thursday, 27 June 2024 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		

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 ....., 2024

\_\_\_\_\_  
 Signature / Seal of Member

**Notes:**

**Virtual 39th AGM**

1. *The Meeting will be held as a virtual meeting at the Broadcast Venue. Members are advised to refer to the Administrative Guide for the 39th AGM on the registration and voting process for the Meeting.*
2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the Meeting. No shareholders or proxies should be physically present at the Broadcast Venue on the day of the 39th AGM.*

**Proxy**

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 20 June 2024 (“General Meeting Record of Depositors”) 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, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *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 member is a corporation, shall either be executed under the Corporation’s Common Seal or under the hand of an officer or attorney duly authorised.*
6. *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 Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.*

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*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.*

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**Pertama Digital Berhad**

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

[www.pertamadigital.com](http://www.pertamadigital.com)