MSCM HOLDINGS BERHAD

Registration No: 200101001581 (537337-M)

JOURNEY TO TRANSFORMATION

ANNUAL REPORT 2020

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Teoh Hai Hin
Executive Chairman

YM Tengku Farith Rithauddeen
Independent Non-Executive Director

Yap Kien Ming
Independent Non-Executive Director

Ng Keok Chai
Independent Non-Executive Director

Wong Mun Wai
Senior Independent Non-Executive Director

Lau Kok Fui
Non-Independent Non-Executive Director

Wong Yee Ming
Alternate Director to Mr Lau Kok Fui

Kenny Khow Chuan Wah
Executive Director

Chong Koon Meng, Jeff
Executive Director

Lim Peng Tong
Executive Director

Teoh Soon Han
Executive Director/Finance Director

AUDIT COMMITTEE

Wong Mun Wai (Chairman)
YM Tengku Farith Rithauddeen
Yap Kien Ming
Lau Kok Fui

NOMINATING COMMITTEE

YM Tengku Farith Rithauddeen
(Chairman)
Wong Mun Wai
Yap Kien Ming

REMUNERATION COMMITTEE

YM Tengku Farith Rithauddeen
(Chairman)
Wong Mun Wai
Yap Kien Ming

COMPANY SECRETARIES

Seow Fei San (MAICSA 7009732)
(SSM Practising Certificate No. 201908002299)

Mok Mee Kee (MAICSA 7029343)
(SSM Practising Certificate No. 201908002288)

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square, 17 Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan Malaysia
Tel : +603-7803 1126
Fax : +603-7806 1387

PRINCIPAL PLACE OF BUSINESS

No. 18, Jalan Pemaju U1/15
Section U1
Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan Malaysia
Tel : +6(03) 5567 9191
Fax : +6(03) 5569 8987

AUDITORS

Grant Thornton Malaysia PLT
(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia
Tel : +603- 2692 4022
Fax : +603- 2732 5119
Website : www.grantthornton.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (M) Berhad
Public Bank Berhad
RHB Bank Berhad

SOLICITORS

Peter Ling & Van Geyzel

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-7890 4700 (Help desk)
Fax : 603-7890 4670
Website : www.boardroomlimited.com

STOCK EXCHANGE LISTING

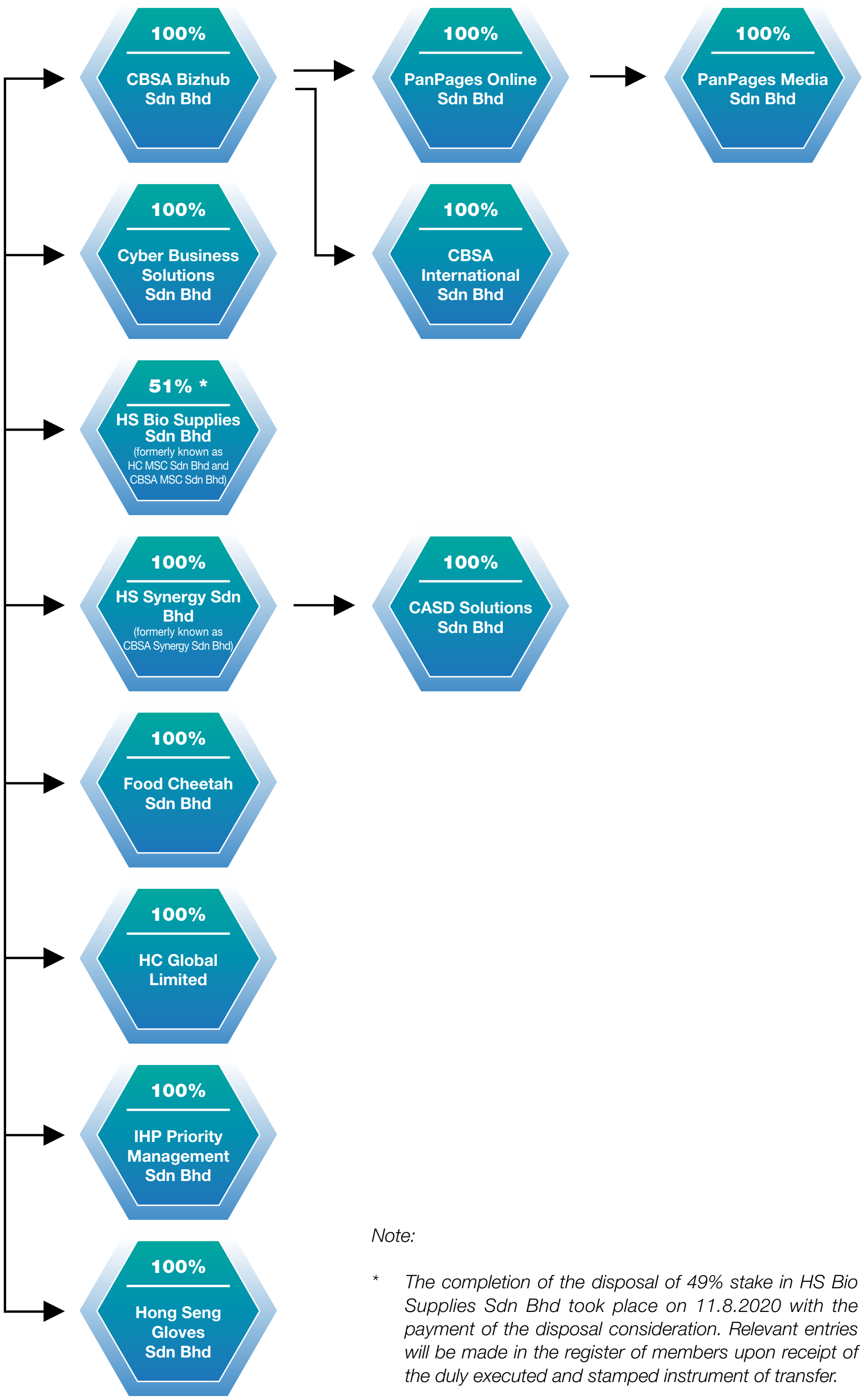
Main Market of Bursa Malaysia Securities Berhad
Stock name : MYSCM
Stock code : 0041

COMPANY WEBSITE

Website : https//about.panpages.com

CORPORATE STRUCTURE

M|S|C|M HOLDINGS BERHAD



Note:

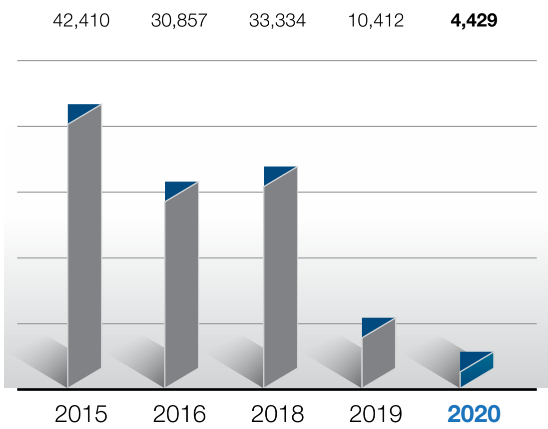
* *The completion of the disposal of 49% stake in HS Bio Supplies Sdn Bhd took place on 11.8.2020 with the payment of the disposal consideration. Relevant entries will be made in the register of members upon receipt of the duly executed and stamped instrument of transfer.*

FINANCIAL HIGHLIGHTS

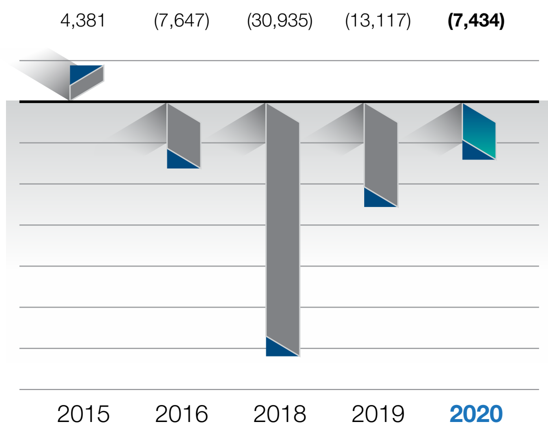
Results of Operation		2015	2016	2018@	2019	2020
Revenue	RM'000	42,410	30,857	33,334	10,412	**4,429**
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	RM'000	10,008	(4,165)	(25,181)	(11,371)	**(7,296)**
Profit/ (Loss) Before Taxation	RM'000	4,741	(8,702)	(29,287)	(12,624)	**(7,458)**
Profit/ (Loss) After Taxation	RM'000	4,381	(7,647)	(30,935)	(13,117)	**(7,434)**
Net Profit/ (Loss) Attributable To Equity Holders	RM'000	4,284	(7,751)	(30,693)	(13,072)	**(7,434)**
Financial Position						
Total Assets	RM'000	78,201	68,354	41,145	23,047	**65,526**
Total Borrowings	RM'000	2,257	2,821	3,294	2,164	**1,949**
Shareholders' Equity	RM'000	62,997	55,750	30,842	16,988	**61,328**
Financial Indicators						
Return On Equity	%	7.00	(14.00)	(100.00)	(77.00)	**(12.00)**
Return On Total Assets	%	5.00	(11.00)	(75.00)	(57.00)	**(11.00)**
Gearing Ratio	times	–	–	0.10	0.13	**0.03**
Interest Cover	times	15.20	(12.30)	(79.30)	(50.77)	**(45.12)**
Basic Earnings / (Loss) Per Share	sen	1.80	(3.20)	(11.80)	(4.92)	**(2.55)**
Net Assets Per Share	sen	25.40	22.50	11.30	6.40	**19.25**
Share Price as at The Financial Year End	sen	30.50	29.50	26.00	24.00	**6.00**

@ 15-month period ended 31 March

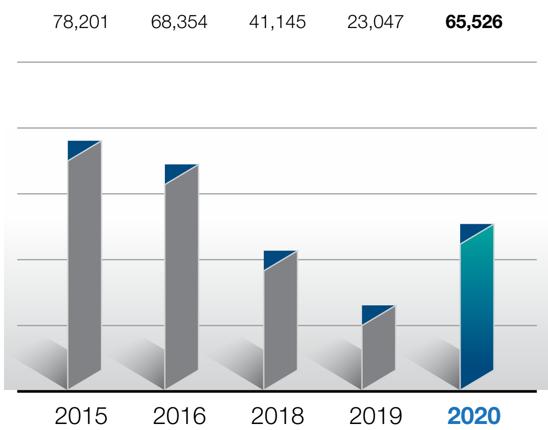
REVENUE
(RM'000)



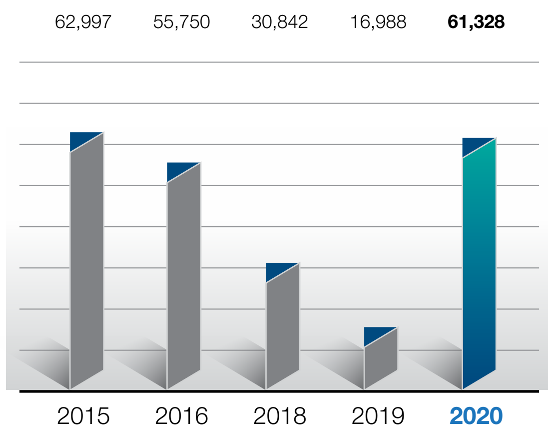
PROFIT/ (LOSS) AFTER TAXATION
(RM'000)



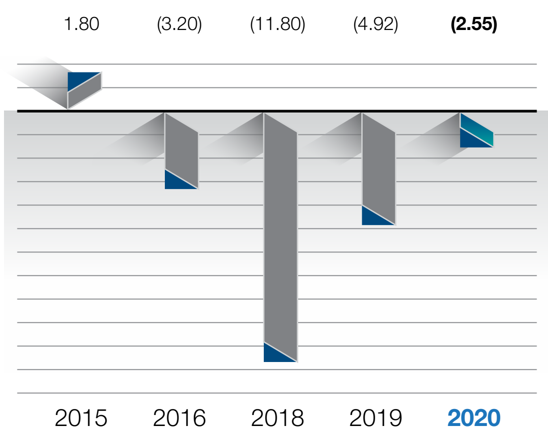
TOTAL ASSETS
(RM'000)



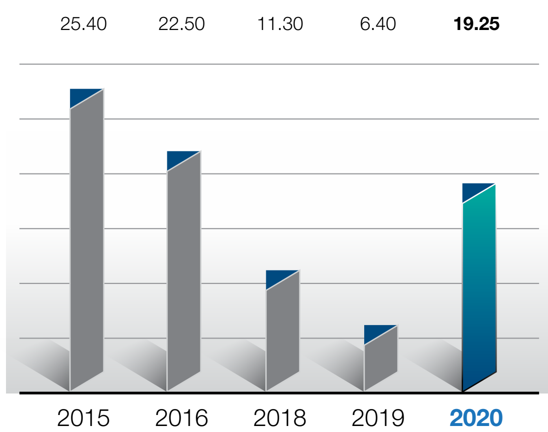
SHAREHOLDERS' EQUITY
(RM'000)



BASIC EARNINGS / (LOSS) PER SHARE
(Sen)



NET ASSETS PER SHARE
(Sen)



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I would like to present the Annual Report and the Audited Financial Statements of MSCM Holdings Berhad ("MSCM" or the "Company") for the financial year ended 31 March 2020 ("FYE 2020").

DATO' TEOH HAI HIN
Executive Chairman

The Covid-19 pandemic has upended the way we live and work, and has since unleashed "the lockdown" and a severe economic downturn. It was undoubtedly a challenging year for the Group as its financial performance was impacted greatly by adverse economic conditions in the key markets in which the Group operates currently.

Our management team is monitoring the situation closely during this challenging time and business recovery plans are in place for all of our business units. Our business is currently fully operational but we expected a slow path to recovery. To dampen the impact of an expected decline in demand for our existing products, we have proposed and obtained our esteem shareholders' approval to venture into supply chain management business on 25 February 2019 and venture into moneylending business on 24 July 2020 in order to improve our Group's financial position and revenue stream. Our teams will continue to support all of our customers' needs and will strictly adhere to the Standard Operating Procedures ("SOPs") implemented by the relevant authorities. We remain cautious of the current economic environment but hope to fully recover sooner end of the year.

We would like to express our sincere gratitude to all our shareholders, business partners, suppliers, customers and regulatory authorities and staff for their continuing support and considerable contributions in FYE 2020. Despite ongoing uncertainties resulting from the COVID-19 pandemic, we are optimistic about maintaining an uptrend in the following financial year as we remain vigilant, resilient and focussed on strategic areas to ensure continued to seek new growth avenues and maintaining our position in both locally and worldwide to enhance our shareholders' value to improve our Group's operations and financial performances in the future.

PROFILE OF THE BOARD OF DIRECTORS

DATO' TEOH HAI HIN

Executive Chairman

Nationality:
Malaysian

Age:
61

Gender:
Male

Date Appointed on Board:
5 August 2020

Attendance at Board Meeting during the year:
Not applicable

Dato' Teoh Hai Hin completed his high school education at Han Chiang High School, Penang in 1977.

Dato' Teoh started his business in 1978 from a small workshop selling engines, spare parts, genset, marine engines, used and rebuilt commercial trucks and others. In year 2010, his company, Hong Seng Group of Companies has been venturing and diversifying their businesses aggressively as the main sole distributors of the New China Brand Automobile Commercial Trucks including Heavy and Light Trucks, Agricultural and Construction Heavy Machineries. Under his stewardship, Dato' Teoh expanded and transformed Hong Seng business into a business conglomerate as the Group's business also include assets management, property developer and constructions.

He is currently the Managing Director of Hong Seng Group of Companies and is responsible of overseeing the Group's operations and has been instrumental in the growth and development of Hong Seng Group. In addition, he also sits as Board member of Hong Seng Group of Companies.

Dato' Teoh has also been appointed as Honorary Secretary to the Commercial Vehicles Rebuilders Association Malaysia since 2008. He is also actively involved in social work and is the Financial Chairman of The Blessed Virgin Mary Church in Butterworth, Penang and as a philanthropist he donates to various charities.

Dato' Teoh was awarded the "2010 Golden Bull Award" by the organising committee and was the 7th place winner in the "Super Golden Bull" category in Malaysia. In addition, he was also awarded "Kwong Wah Yit Poh Centennial Awards" in 2010 and the winner of the "Dr Sun Yat Sen Enterprise Excellent Award".

Dato' Teoh is the father of Ms. Teoh Soon Han who is also an Executive Director/Finance Director of the Company. His brothers, namely, Teoh Hai Peng, Teoh Hai Bim, and Teoh Hai Seng are major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Dato' Teoh's interest in the securities of the Company is disclosed in page 139.

PROFILE OF THE BOARD OF DIRECTORS
(cont'd)

YM TENGKU FARITH RITHAUDDEEN

Independent Non-Executive Director
(Redesignated from Independent Non-Executive Chairman to Independent Non-Executive Director on 5 August 2020)

Chairman
Nominating Committee

Chairman
Remuneration Committee

Member
Audit Committee

Nationality:
Malaysian

Age:
49

Gender:
Male

Date of Appointed on Board:
19 September 2018

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings

YM Tengku Farith is currently the Group Chief Executive Officer and Co-Founder of SKALI.

In 2002, he has selected as one of the 100 Global Leaders for Tomorrow ("GLT") by the World Economic Forum, Davos of Switzerland. In 2004, he was the first recipient of the Young Entrepreneur award by the Malay Chamber of Commerce, Malaysia and in 2006 was awarded the prestigious Eisenhower Fellowship for 2007 by the Eisenhower Foundation, USA. In 2008 he was awarded Most Outstanding Entrepreneur for 2008 by the Asia Pacific Entrepreneurs Award (APEA) Organization. In March 2012, YM Tengku Farith was awarded the BMW Stifung Herbert Quandt – Young Leaders. His latest recognition was a nomination by Top 10 of Malaysia Magazine for Top 10 Inspiring Technopreneurs in Malaysia.

His career began with Commerce International Merchant Bankers (CIMB) in the corporate finance division. He was a key team member in the Corporate Finance and Capital Market divisions. He has in-depth knowledge about corporate restructuring, corporate financing and financial re-engineering.

Throughout his career at CIMB, YM Tengku Farith established relationships with various investment bankers, analysts, researchers, venture capitalists and private investors, and was involved in corporate advisory services for Penang Port, agencies under the Ministry of Rural Development and KPJ Healthcare Bhd.

He then moved on to Road Builder (M) Holdings Berhad and was responsible for its business development in property and infrastructure projects. At Road Builder, he was instrumental in securing numerous privatization projects relating to property and infrastructure.

YM Tengku Farith has no family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has no direct and/or indirect interests in the securities of the Company.

Mr. Yap Kien Ming graduated with a Bachelor Degree of Arts in Economics and Marketing from the University of Brock, Canada.

He began his career as a Strategic Management Executive with Kein Hing Industries Sdn. Bhd. During his 5 years' tenure, he had started and headed the Purchasing Department. In addition, Mr Yap had also put in place a stock system besides heading the Purchasing Department. He was also responsible for an integrated stamping, machining and surface grinding line and Sales and Marketing with clients that included Sanden, Sharp, Nippondenso, Matsushita, Clipsal and PDL Switch Gear Manufacturers. He was also responsible for a Licensed Manufacturing Warehouse, a Joint Venture between 3 Japanese manufacturers, namely Tomen, Matsushita, Meiwa and Kein Hing Industries Sdn. Bhd.

Subsequently, he joined Polychem Sdn. Bhd. as Regional Product Manager which is a manufacturers agent for hand tools, cutting tools and non-ferrous materials from United Kingdom, Europe and Australia, where he had served a wide range of industries from automotive, mould and die, oil and gas and electrical, electronics manufacturers.

In the last decade, he was appointed as the Regional Sales Manager for Garryson (now under ATA Tools.), and responsible for the Sales and Marketing for China, Indonesia, Malaysia, Singapore and Thailand. During his tenure, he was involved in the Business Development, Sales and Distribution channels, Technical Training and support to the dealers around the region.

Mr. Yap has vast experience in Technical Sales and Cross Cultural marketing in Asia and his primary focus was in the oil and gas, aerospace and shipping industry and is now the Director in Takaso Trading Sdn. Bhd.

Mr. Yap holds another Independent Directorship in Vortex Consolidated Bhd.

Mr. Yap has neither family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has no direct and/or indirect interests in the securities of the Company.

YAP KIEN MING

Independent Non-Executive Director

Member
Audit Committee

Member
Nominating Committee

Member
Remuneration Committee

Nationality:
Malaysian

Age:
55

Gender:
Male

Date Appointed on Board:
19 September 2018

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings

PROFILE OF THE BOARD OF DIRECTORS

(cont'd)

NG KEOK CHAI

Independent Non-Executive Director

Nationality:
Malaysian

Age:
61

Gender:
Male

Date Appointed on Board:
14 November 2019

Attendance at Board Meeting during the year:
Attended 2 of 2 meetings

Mr. Ng Keok Chai holds a Bachelor of Laws (Hons.) from University of Wolverhampton, London in 1996 while he was still in service with the Sarawak Police Contingent, Royal Malaysia Police. Then in 1998, he obtained his Certificate in Legal Practice issued by Malaysia Legal Profession Qualifying Board.

Mr. Ng's early career started when he was recruited as a Police Inspector with the Royal Malaysia Police in 1982. He was then posted to serve in Sarawak and he served there until the rank of Assistant Superintendent of Police for 20 years. During his tenure in Sarawak, his exposure included the Criminal Investigation Department (CID), General Duty and Police Field Force.

In 2003, Mr. Ng was transferred to Selangor Police Contingent Headquarters. Then in 2005, he was promoted to Deputy Superintendent of Police and served in the Commercial Crime Investigation Department, Selangor Police Contingent Headquarters. He was promoted to Superintendent in 2008 and posted as Deputy Head of Commercial Crime Investigation Department, Selangor Police Contingent Headquarter.

After that, Mr. Ng was posted to Johore Police Contingent Headquarters as Deputy Head of Commercial Crime Investigation Department in 2014. Then in the same year, he was posted to Commercial Crime Investigation Department, Royal Malaysia Police Bukit Aman as Assistant Director in the Forensic Accounting Investigation Division.

Mr. Ng was promoted to Assistant Commissioner of Police in 2016 and his last held position was that of Principal Assistant Director in Forensic Accounting Investigation Division, Commercial Crime Investigation Department, Royal Malaysia Police, Bukit Aman.

Throughout his 36 years' service in Royal Malaysia Police, he was very much involved in police investigation due to his legal background. He specialises in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

Currently, he also sits on the board of directors of KTG Berhad (formerly known as DWL Resources Berhad) as their independent non-executive director.

Mr. Ng has neither family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has no direct and/or indirect interests in the securities of the Company.

Mr. Wong Mun Wai is a member of Malaysian Institute of Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Secretaries and Administrators (Malaysia and United Kingdom).

He is currently heads his own Consultancy firm and also sits on the Board of Comintel Corporation Berhad as an Independent Director. He was formerly an Independent Director for a listed information technology group of companies and sat as the chairman of their Audit Committee.

He has over 40 years' experience in the commerce and accounting profession with international affiliation as well as working experience as company secretary, executive director and management in public listed companies in various sectors such as paper manufacturing and trading, health care, financial services and real estate.

He carried out various due diligent and management review assignments, merger and acquisition exercises involving various industries and businesses, such as financial institutions, household appliances, biotech, fitness centres, pub and restaurant, furniture, timber and paper related industries.

Mr. Wong has neither family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has no direct and/or indirect interests in the securities of the Company.

WONG MUN WAI

Senior Independent Non-Executive Director

Chairman
Audit Committee

Member
Nominating Committee

Member
Remuneration Committee

Nationality:
Malaysian

Age:
63

Gender:
Male

Date Appointed on Board:
19 September 2018

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings

PROFILE OF THE BOARD OF DIRECTORS
(cont'd)

LAU KOK FUI

Non-Independent Non-Executive Director

Member
Audit Committee

Nationality:
Malaysian

Age:
58

Gender:
Male

Date Appointed on Board:
15 March 2019

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings
(3 out of the 6 meetings were attended by his alternate director)

Mr. Lau Kok Fui is former Regional Director of General Electric Company. He has vast experience in business development and was recognised for many successful operational and business achievements.

He began his aviation career as an Aircraft Maintenance Engineer with Malaysia Airlines in 1981. He later joined Ansett Australia in 1989 at Melbourne and rose through various positions and completed his MBA thesis in third party aircraft maintenance. He joined General Electric Company in 1998 as the Managing Director of GE on Wing Support (Malaysia) Sdn Bhd, where he founded and ran a successful award winning organisation and rose to the position of Regional Leader overseeing GE on Wing Support operations and business development in the Asia Pacific Region.

He holds a Master Degree in Business Administration from Henley Management College (UK). He also holds aircraft maintenance e engineer licenses with Malaysia Department of Civil Aviation and Australian Civil Aviation Authority.

Mr. Lau has no family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr. Lau's interest in the securities of the Company is disclosed in page 139.

Mr. Wong Yee Ming is currently the Finance Director of Malinta Corporation Sdn Bhd where he first began his career as a project administrator. He was formerly attached to CIMB Investment Bank Berhad in their group treasury unit as vice-president credit and operational risk analytics. He has vast experience in project management, cash flow management, treasury and financial risk management.

He holds a Bachelor of Arts in Marketing with Business Economics & Financial Management from Middlesex University, United Kingdom. He is also certified as a Customer Relationship Management Practitioner and Direct Marketing Practitioner from the Institute of Direct Marketing, United Kingdom.

Mr. Wong is the son of Wong Kim Sun, a former substantial shareholder of MSCM, who ceased its substantial interest in MSCM on 2 August 2020. He has no conflict of interest with the Company and has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the year.

He has no direct and/or indirect interests in the securities of the Company.

WONG YEE MING

(Alternate Director to Mr. Lau Kok Fui)

Nationality:
Malaysian

Age:
39

Gender:
Male

Date Appointed on Board:
15 March 2019

Attendance at Board Meeting during the year:
Not applicable
(Please refer to Mr. Lau Kok Fui's attendance at Board Meeting)

PROFILE OF THE BOARD OF DIRECTORS

(cont'd)

KENNY KHOW CHUAN WAH

Executive Director

Nationality:
Malaysian

Age:
45

Gender:
Male

Date Appointed on Board:
21 September 2018

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings

Kenny holds a degree in Accounting and Finance (Distinction) from the University of Technology, Sydney. He is member of the Malaysian Institute of Accountants and CPA Australia.

He has more than 13 years of experience as an auditor with PricewaterhouseCoopers Malaysia, including the year secondment from 2004 to 2006 at PricewaterhouseCoopers London. He joined PricewaterhouseCoopers in 1997 and has an extensive experience in the area of corporate exercises covering IPO, demerger of a listed entity, management and integration of two major companies in Malaysia, privatisation of a major listed entity, rights issue, issuance of debt securities, as well as the sale and leaseback of key assets. His other work experience includes financial due diligence, advisory, and numerous cross-border securities offering.

Kenny also sits on the Board of Directors of Macpie Berhad as Finance Director.

He has neither family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has no direct and/or indirect interests in the securities of the Company.

Jeff completed the Executive Programme/Education at Stanford University, USA and Stockholm School of Economics, Sweden. He holds a Master of Business Administration (MBA) from Charles Sturt University, Australia and a Bachelor of Statistical Economics degree from the National University of Malaysia (UKM).

He has over 25 years of working experience in the marketing & sales, product and marketing fields, specialising in the telecommunications and automotive sectors. He began his career in Edaran Tan Chong Motor Sdn Bhd in the car and mobile device divisions/subsidiaries. He was subsequently attached to Digi Telecommunications Sdn Bhd in the sales and distribution, marketing communications and products divisions for over 10 years. Immediately after that, he joined Maxis Berhad in December 2005 as the General Manager for the SME Business division. He held a number of senior positions and eventually became a member of the Senior Leadership Team (SLT) in Maxis. His last attachment in the telecommunications sector was with Ooredoo Myanmar (Qatar) as the Chief Sales & Distribution Officer in 2013/2014.

Jeff has relevant experience in running start-ups and established companies. He plays a pivotal role in transforming MMAG from an IT distribution house to a supply chain management company.

Jeff also sits on the Board of Directors of MMAG Holdings Berhad as an Executive Director.

He has neither family member relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences in the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has no direct and/or indirect interests in the securities of the Company.

CHONG KOON MENG, JEFF

Executive Director

Nationality:
Malaysian

Age:
54

Gender:
Male

Date Appointed on Board:
21 September 2018

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings

PROFILE OF THE BOARD OF DIRECTORS

(cont'd)

LIM PENG TONG

Executive Director

Nationality:
Malaysian

Age:
61

Gender:
Male

Date Appointed on Board:
4 April 2019

Attendance at Board Meeting during the year:
Attended 6 of 6 meetings

Mr. Lim Peng Tong graduated with a Diploma in Banking and Financial Services in 1997 from Institute Bank-Bank Malaysia (IBBM) and is a Certified Credit Professional (CCP) since 2002. He is also an Associate member with IBBM which is now known as Asian Institute of Chartered Bankers (AICB).

Mr. Lim retired from Malayan Banking Berhad after serving the bank for 38 years. He held his last position as the Regional Head of Business Banking of Northern Region (Penang, Kedah and Perlis) for the last 9 years since July 2010. His main roles and responsibilities were to oversee, manage and to grow the entire Business Banking sector of the Region which mostly involves financial lendings to SMEs, commercial customers and some listed corporations. More importantly, his role was to ensure credit quality and managing the banks' asset quality to mitigate risks and optimise profitability for the bank.

With more than 38 years of extensive experience in the financial and banking industry, he is an established banker with a vast knowledge and skills in the banking field, especially in the aspects of commercial and corporate lendings activities involving marketing, credit processes, business development and relationship management, in which he had hold supervisory and leadership roles for the last 35 years ever since he started his career as a clerk in 1979 with the bank. Mr. Lim has also served in various states in the country, from Melaka, Johor, Kuala Lumpur to the northern region of Penang, Kedah and Perlis.

Mr. Lim is also the Non-Executive Chairman of Macpie Berhad, Non-Executive Independent Director of KTG Berhad (formerly known as DWL Resources Berhad) and Non-Executive Independent Director of Dynaciate Group Berhad.

He has neither a family relationship with any director or major shareholder of MSCM nor any conflict of interest with the Company. He has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr. Lim Peng Tong's interest in the securities of the Company is disclosed in page 139.

Ms. Teoh Soon Han graduated from Haworth College of Business, Western Michigan University of United States of America with a degree in Bachelor of Business Administration (BBA) in year 2008.

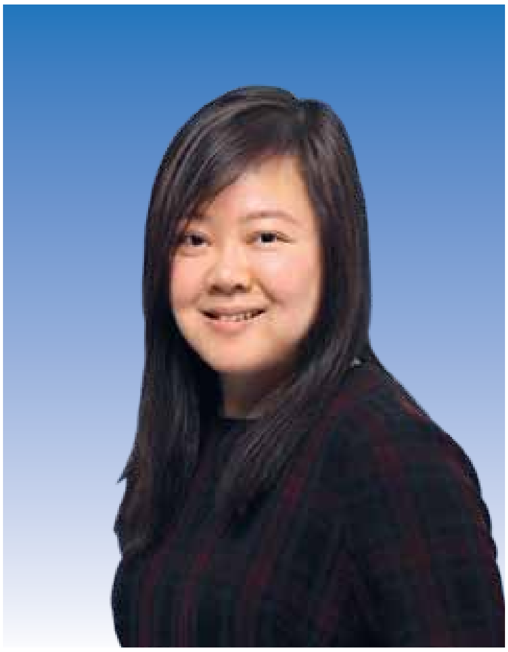
She then worked as a Personal Assistant cum Research Assistant to a professor in Universiti Sains Malaysia for more than a year in 2009 prior to joining Hong Seng Group of Companies ("HSG") as a Finance Executive and Administrator in 2010. Her roles and responsibilities were to manage the daily transactions, banking activities and invoicing and providing overall support to the daily operations of the company.

Presently, Ms. Teoh is the Head of Treasury of HSG, a position she has held since 2015 whereby she is responsible to oversee the businesses and financial aspects of the companies under the Group. She also ensures compliance with internal controls, policies and procedures while developing and monitoring treasury operational policies for HSG.

In addition, she is also a Member of The International Honor Society Beta Gamma Sigma since 2008 and a Member of The Honor Society of Phi Kappa Phi since 2007.

Ms. Teoh is the daughter of Dato' Teoh who is the Executive Chairman and major shareholder of MSCM. She has no conflict of interest with the Company and has not been convicted of any offences other than traffic offences within the past 5 years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She has no direct and/or indirect interest in the securities of the Company.



TEOH SOON HAN

Executive Director/Finance Director

Nationality:
Malaysian

Age:
35

Gender:
Female

Date Appointed on Board:
5 August 2020

Attendance at Board Meeting during the year:
Not Applicable

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

MSCM Holdings Berhad (**"MSCM"** or the **"Company"**) was incorporated in Malaysia under the Companies Act 1965 and a listed company on the Bursa Malaysia Securities Berhad (**"Bursa Securities"**). MSCM and its subsidiary companies (the **"Group"**) are involve in the business of investment holding, Search and Advertising (**"S&A"**), Information Technology (**"IT"**), supply chain management and moneylending business.

BUSINESS AND OPERATIONS OVERVIEW

Despite prevailing challenges in 2019, the past few months have been irrevocably marked by the unprecedented and highly disruptive Covid-19 pandemic. This unfortunate crisis and related restrictions are creating an extraordinary and very challenging landscape for organisations in all sectors.

Notwithstanding these challenges, the Group is committed to scaling up our capabilities and capacity to play our role in the fight against the pandemic. The Group will also increase its marketing efforts to maintain visibility and market presence along the turnaround and upturn of the market. Delivering quality services to its existing customers will continue to be the Group's key focus to enhance its reputation and retain its existing customer base. A competent, knowledgeable and talented pool of employees will continue to be a key driver of the Group's business moving forward.

In view of the rapid media evolution which reshaped the advertising and marketing landscapes and the increasingly competitive business environment for the search and advertising business segment, our financial performance has suffered in recent years. Further, our Group experienced cannibalisation of revenue from its own products by third-party products which led to erosion of profit margin. Our Group has constantly been looking for business opportunities to have additional income streams and diversify to prevent over-reliance on one single industry. In this regard, our Group had diversified and expanded its business activities

On 25 February 2019, MSCM has obtained approval from shareholders to venture into supply chain management business which provides integrated solutions such as storage, warehousing, distribution, transportation and third party warehouse management services in order to improve our Group's financial position and revenue stream. However, MSCM is still in the midst of setting up the supply chain management business and this business is expected to commence in the first half of year 2021.

On 24 July 2020, MSCM has obtained approval from its shareholders to diversify and expand its business activities to include moneylending business. The management believe that with this diversification could provide additional income streams to our Group while setting up the supply chain management, and to reduce over-reliance on our existing business in the S&A business segment and IT segment. This business is expected to commence in the second half of year 2020.

No special regulatory framework influences our business in the region save for those that apply to inter-regional trade as well as those that govern trade transactions in each respective country except for the moneylending industry in Malaysia is tightly regulated by the Ministry of Housing and Local Government pursuant to the Moneylenders Act.

SEARCH AND ADVERTISING

Our activities under S&A are conducted on both local and regional fronts. We are specialised in Marketing as a Service ("MaaS") comprising development and operation of business platforms, print directories and internet marketing solutions and Data as a Service ("DaaS") comprising development and license of content comprising database of businesses information.

(i) Online Business Platform

Our online business platforms are specialised search engine that allows users to search a structured database of local businesses using industry and geographic parameters. Our platforms are supported by advertisements from businesses who wish to be prominently featured when users search for specific products and services in particular locations.

(ii) Print Business Directories

Our print directories, Super Pages in Malaysia is comprehensive classified directories that service both commercial and industrial businesses. They also contain a directory of government departments and federal agencies, public services, hospitals and emergency numbers.

(iii) Online Advertising and Marketing

We provide online advertising and marketing solutions catering to different businesses by combining different products such as our proprietary products i.e. PanPages, Super Pages Malaysia and partners' products i.e. Google Adwords, Google Maps Business View, Alibaba, Facebook and YouTube.

The Google Adwords services provided our clients a targeted advertising channel. This service optimises our clients' advertising dollars to ensure they reach the appropriate online audience. And the services with Alibaba.com, a global leader in Business-to-Business ("B2B") portal that helps millions of buyers and suppliers around the world conduct business online. This portal provides opportunities for Malaysian businesses to increase exposures through content marketing as it opens markets for their goods and services and offers access to overseas sales.

INFORMATION TECHNOLOGY

Our IT business segment provides communication solution, a range of products and services that help our clients improve their business operations, security and cost efficiency.

SUPPLY CHAIN MANAGEMENT

In order to improve our Group's financial performance and to enhance our Group's prospect, our Group proposes to have additional income streams by diversifying our existing businesses to include supply chain management where initial foray will be in cold chain business. MSCM has obtained an approval from its shareholders for the expanding and diversification on February 2019.

The supply chain management provides integrated solutions such as storage and warehousing with provision of temperature-controlled storage and related handling services as well as other warehouse services; distribution and transportation for the frozen and chilled products for our customers; and third party warehouse management services such as management of third parties' temperature-controlled storage and provision of warehouse management services to importers, distributors, manufacturers and retailers in customer-owned facilities.

Our Group are still in the midst of setting up the supply chain management business and this business is expected to commence in the first half of year 2021. The Management believe with our Group's venture into supply chain management business is likely to contribute positive to net profits of our Group in the future and will therefore become a main contributor to our Group's revenue and profits.

MONEYLENDING

On 15 November 2019, one of the wholly-owned subsidiary companies had obtained the Moneylending License under the Moneylenders Act which allow the said subsidiary to carry the business of moneylending and this license is not transferable to any other party nor lease to any other party included related party/company within the Group.

On 24 July 2020, MSCM has obtained an approval from its shareholders on the diversification to include moneylending business as a part of Group's business activities, the Management believe that commencement of the business will provide additional income streams to our Group and reduce over-reliance on our existing businesses in the search and advertising segment and the IT segment.

This business will provide financial solutions to transportation and logistics entrepreneurs/companies which could complement our Group's supply chain management business in future. As well as to extend our moneylending facilities to any segments which are underserved by licensed financial institutions and co-operatives.

In preliminary stage of planning, the subsidiary will start do hiring of number of staffs to operate the business. This will be able create the jobs opportunity and lower down the unemployment rate in Malaysia.

Our management believes that despite challenging economic environment amid the COVID-19 pandemic, the impact of COVID-19 on the outlook of economy is likely to be significant in the short term. Our Group is expected to remain resilient while entering this period with liquidity buffers and will seize every opportunity premised on the above to improve our Group's operations and financial performances in the future.

REVIEW OF FINANCIAL RESULTS

Revenue

The Group's revenue for the financial year ended 31 March 2020 ("FYE 2020") was recorded at RM4.4 million (decreased by 58%) as compared to the financial year ended 31 March 2019 ("FYE 2019") of RM10.4 million. The decreased of revenue is mainly contributed by:-

i. Disposal of loss making business, Content Development business which was completed on 15 March 2019; and
ii. Decrease in advertising revenue in Malaysia and Cambodia due to lower economies activities and increase in market competition.

The Group has achieved a loss before tax ("LBT") of RM7.5 million in FYE 2020 as compare to a LBT of RM12.6 million in FYE 2019. The improvement in LBT mainly contributed by:-

i. FYE 2019, impairment loss on goodwill of RM8 million was provided; and
ii. The effectiveness on implementation of cut-cost measures especially in controlling direct sales staff costs and overheads during the financial year under review.

REVIEW OF FINANCIAL RESULTS (CONT'D)

Search and Advertising division

S&A division recorded a loss of RM5.3 million in FYE 2020 as compared to a loss RM18.4 million in FYE 2019. The loss in FYE 2020 was mainly due to:-

i. Non cash impairment loss on trade receivables of RM1.9 million (FYE 2019: RM2.6 million) provided on those receivables with long outstanding debts;
ii. Decrease in other expenses also mainly due to the absence of impairment of goodwill in FYE 2020 (FYE 2019: RM8.0 million);
iii. Marginal profit derived from efforts taken in streamlining and restructuring process to focus more on printing directories business; and
iv. The effectiveness of implementing cost-cutting measures in all divisions during the FYE 2020 which include the downsizing of the number of staffs in all divisions and the consolidation of departments. The division had consolidated the administration and human resources departments with the finance department as well as the production department was merged with marketing department.

As at 31 March 2020, the supply chain management has yet commence the business.

CASH FLOW

For the FYE 2020, the Group net cash flow status recorded a net cash inflow of RM49.2 million as compared to a net cash inflow of RM3.9 million for the FYE 2019. This is mainly due to proceeds raised from issuance of the rights issue of 53,097,137 new ordinary shares with 159,291,411 warrant and right issue of 796,457,055 irredeemable convertible preference shares which were completed on 2 October 2019.

FINANCIAL POSITION

The Group's net assets have increased from RM17.0 million as at 31 March 2019 to RM61.3 million as at 31 March 2020 which mainly due to issuance of new ordinary shares and irredeemable convertible preference shares in the current financial year.

REVIEW OF OPERATING ACTIVITIES

Our S&A business have expanded to ASEAN for the past few years and to strengthen the Group footing to grow the online local business platforms business which have vast business opportunities. However, due to the rapid change in internet landscape with growth by internet giants such as Google and Facebook in this region coupled weaker economies activities in local market, we needed to reassess our strategy.

The S&A business facing challenges due to the pervasiveness of technology that has made digital advertising more accessible for Small and Medium Enterprise ("SME") and this resulted in the decrease in subscription from existing customers in the print directories which advertise goods and services of SMEs.

Considering the increasingly competitive market in the Existing Business in which our Group operates, our Group has recorded loss after tax ("LAT") since FYE 2016. Hence in order to improve our Group's financial performance, our Group has constantly been looking for business opportunities to have additional income streams and diversify to prevent over-reliance on one single industry. We are restructuring our business approach from horizontal focus (covering all industries) to vertical focus (industry specific). We also have identify two vertical industries to focus on namely Industrial Products and Food & Beverage ("F&B").

REVIEW OF OPERATING ACTIVITIES (CONT'D)

We have also obtained shareholders' approval on our diversification proposal on 25 February 2019, to diversify and enter into the cold chain business in Malaysia, specifically for the provision of temperature-controlled warehouse storage and related handling services as well as other warehouse services, transportation of frozen and chilled products for its customers and management of temperature-controlled storage on behalf of third parties and the provision of warehouse management services to importers, distributors, manufacturers and retailers in customer-owned facilities. The business is yet to commence as at 31 March 2020.

Additionally, we have also obtained shareholders' approval on diversification proposal on 24 July 2020, for the proposal to diversify into financial services segment and enter into moneylending business. Our Group intends to focus the initial foray of our moneylending business on providing financial solutions and lending to transportation and logistics entrepreneurs/companies for their capital expenditure on purchase of reefer trucks as well as their working capital for management and maintenance of their fleet of reefer trucks, including hiring of fleet drivers. Our Group then intends to engage their transportation and logistics services as third-party service providers to support our cold chain business.

As such, our Group expects the moneylending business to commence prior to or in tandem with the supply chain management business in order that the transportation and logistics entrepreneurs/companies have required capital to set up and beef up their own fleet of reefer trucks. Our Group also intends to extend our moneylending facilities to any segments which are underserved by licensed financial institutions and co-operatives.

The Group's gearing maintains minimal. There are no borrowings other than lease liabilities and an overdraft facility of RM2.0 million as at 31 March 2020.

FUTURE EXPECTATIONS

The Group expects the operating environment for the next financial year to remain challenging. The unsettling trade tension between China and the USA adds to the uncertainty of the global economy , the impact of Covid-19 pandemic that spreads throughout the world as well as Malaysia's domestic political uncertainties may have an adverse impact on the Group's performance for the coming year. Advertising expenditure is expected to slow considerably until these strong headwinds blow over.

We will adopt focused approach in Malaysia by focusing on a few industry verticals especially diversification into supply chain management business and moneylending business.

We will also scale down our regional search and advertising business to refocus in Malaysia.

DIVIDEND

No dividends have been paid by the Company for the current financial year. Payment of any future dividends is subject to the Company's level of cash, indebtedness, retained earnings, capital expenditure and such other matter, as the Board may deem relevant from time to time.

SUSTAINABILITY STATEMENT

The Board and the management of MSCM Holdings Berhad ("MSCM" or the "Company") are committed to update the sustainability progress and engage openly with the Company and its subsidiaries' (the "Group") stakeholders through transparent sustainability reporting.

In the midst of a challenging business and operating landscape, we realised our strategies towards identifying and managing long-term risks and opportunities, with near-term as well as long-term approaches and strategies. We will focus on building a sustainable and responsible business, which will create value for all our stakeholders. We endeavour to improve the stakeholders' experiences and our strategic response to meet their needs and expectations.

This Sustainability Statement for the financial year ended 31 March 2020 is prepared pursuant to Practice Note 9 of the MMLR of Bursa Securities Malaysia Berhad ("Bursa Securities"). In particular, MSCM is to disclose the management of material sustainability matters in accordance with Part A of Practice Note 9 of MMLR and Sustainability Reporting Guide issued by Bursa Securities ('the Guide") on the content of the Sustainability Statement.

Our Sustainability Policy established is guided by the 17 Sustainable Development Goals ("SDGs") developed by the United Nations to address a range of social and economic development issues such as poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice.

MATERIAL SUSTAINABILITY MATTERS

The Group aims to balance profitability with the protection of the environment and all stakeholders (investors, customers, employees, suppliers and local communities) by creating positive impact and mitigating any negative impact arising from its activities from the economic, environment and social aspects. The Group is monitoring the sustainability performance from time to time. The governance structure in relation to the Group's sustainability practice is guided by the Guide and Toolkit: Governance issued by Bursa Securities with necessary adaption based on the nature and scale of the businesses of the Group.

During the financial year under review and up to the date of this Statement, the Group had performed the activities in relation to the identification, management and reporting of sustainability matters and performances. The degree of significance of the sustainable matters to influence on the assessment and decision by internal and external stakeholders were performed by using informal stakeholders' engagement through direct communication with relevant internal and external stakeholders by Head of Departments/Divisions and Executive Directors.

ECONOMIC

The Group recognises that its businesses have direct and indirect impact on the communities in which we operate. The Group has always believed in having a long-term business relationship with suppliers and customers. As such, economic sustainability is embedded in our business culture. Wherever possible, the Group uses local contractors to carry out jobs. The Company has also made community investments through donations and reduced cost supplies to non-profits.

With the goal of making a positive impact in the lives of the communities in which we operate in, our people at MSCM are actively engaged in activities to address appropriately the needs of our local communities.

The Group firmly believes in impacting and investing back in the local community, especially among the poor and marginalised. The Group focused on underprivileged children and contributed through donation to provide them with basic necessities such as food and clothes.

There are more such activities lining up in the future.

All MSCM employees are encouraged to participate in a variety of local charity events, which are often organised and driven by the Sports Club. Activities range from donation drives to visiting charity homes.

We see this as an important aspect of our work and will continue to provide the platform, support and encouragement to impact the local community as an organisation.

With the recent activities of the Group on diversification of business activities to include supply chain management and moneylending, we believed that these will be able create the jobs opportunity and lower down the unemployment rate in Malaysia. In preliminary stage of planning, the Group will start do hiring in these industries to support the operations, we also encourages Malaysian from all levels, gender and race to join our Group giving job opportunities to local talents in various fields.

ENVIRONMENT

MSCM placed emphasis on addressing its direct operational impacts on the environment. We raised awareness and encouraged all employees to adopt recycling habits in the office. Recycling bins were also placed in our cafeteria to encourage this habit.

The Group has a policy to reduce electricity and water usage across all branches, thus reducing its environmental footprint while reducing operation costs. To minimise electricity usage, energy-saving lightbulbs are used whenever possible throughout our operations. Additionally, our Group uses inverted air-conditioners, which are more energy-efficient, as opposed to traditional air-conditioners. Employees of the Group are encouraged to turn-off lights and air-conditioners when the office is not in use. We monitor the usage of paper products which helps the environment and also reduces wastage and keeps our work environment tidy and safe for employees.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SAFETY & HEALTH

The COVID-19 pandemic that the world is facing now is unprecedented and its impact on the economy is severe. Domestic and Global growth is projected to be negative for 2020 due to various containment measures implemented by many major economies to limit the spread of the virus.

The rapid spread of this virus has resulted in the implementation of lockdown and social distancing which later resulted in significant decline of economic activities. In Malaysia, the government has announced the implementation of Movement Control Order (MCO) as a measure to control the spread of the COVID-19 and subsequently, it has been enhanced with several other conditions and regulations which witnessed a new normal in the lives of Malaysians. Under a "Conditional Movement Control Order" (CMCO), most businesses are allowed to operate provided that a strict standards of practice must be complied. Now that the MCO has been extended until 31st August 2020 and it entered the recovery phase which is now called the Recovery Movement Control Order (RMCO).

The Group ensures that risks to health and safety from work activities are properly controlled and the efforts to do the same are beyond regulatory compliance. The Group has taken a proactive approach to ensure the following:-

(i) That the employees' risk of exposure to COVID-19 is minimised;

(ii) That the business or daily operations of the Group can still continue by implementing strict and effective Standard Operating Procedures ("SOP") and best practices as recommended by the Ministry of Health and the World Health Organisation;

(iii) Developing SOP and/or alternative business arrangements with customers, contractors or suppliers to ensure smooth continuity of the business and operations.

SOCIAL

The Group recognises the importance to uphold the social value along with its value chain to cater for the needs of stakeholders it is affecting through its activities undertaken. The employees are recognised as an important and valuable resource for the Group to support the continued growth and expansion of the Group. The Group believes that employees' proactive participations are vital to the success of the Group. Hence, providing a safe and sustainable working environment and assist the employees to further develop their skills, knowledge and competencies.

The Group has a preference for recruiting local talent wherever possible, thus benefiting the local community and reducing employee turnover. The employee social club has been set up to engage and promote employee bonding through events such as birthday celebrations, privileges such as preferred rates at F&B outlets, and other similar activities and advantages. The Company periodically holds local events for current and potential customers, to find ways to improve our service.

We offer a competitive remuneration package with a wide range of benefits to attract and retain the best talent. In addition to the standard benefits such as annual leave and medical coverage, we also offer career development opportunities for both technical and non-technical staff. This includes employee recognition and mentoring programmes.

Senior managers and those involved in certain projects/assignments can also participate in a profit-sharing programme called "Intrapreneurial" as part of their remuneration package. Trips are also organised annually to motivate employees and encourage team building efforts.

The Group strives to motivate and retain the best employees by providing activities such as in-house training programs, external training programs as well as team building excursions to upgrade their knowledge and skills within their job scope. At the same time, the Group believes that good relationships can be fostered through sports and other activities.

We also continually look for ways to engage with our employees to foster a strong sense of purpose and belonging. The Group employs an open door policy and every employee is empowered to provide suggestions or feedback on any subject matter, regardless of position or length of employment.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SOCIAL (CONT'D)

Through MSCM's Sports Club, employees are provided with a platform to make a positive difference in the lives of their families and local community. The organisation contributed approximately RM10,000 to help the Sports Club run their activities in FYE 2020. These include employee outings, competitive sporting activities to charity visits.

The management of human resources are embodied in the Employee Handbook and human resource related policies and procedures established by the Senior Management for group-wide execution, whereby minimum requirements of fair treatment of legitimate employees are specified for strict compliance. The Group prohibits all forms of discrimination in the work place, such as race, religion, nationality, gender, age, marital/ pregnancy and disable status, whereby every individual has an equal right and voice to make a difference. The Group also observes strict enforcement of no illegal employment in the work place, including the contractors and subcontractors.

CORPORATE GOVERNANCE PRACTICES

The Group is lead by an effective board which assumes responsibility for its leadership and control and is collectively responsible for promoting its success by directing and supervising its affairs. The Directors take decisions objectively in the best interests of the Group through good Corporate Governance practices.

The Group has ensured that the Policies and Procedures are in place to strengthen its corporate governance drive as well as being an effective tool to guide the Management and all its stakeholders relating to the following areas:-

- Anti-Bribery and Anti-Corruption Policy
- Whistleblowing Procedures
- Employees Career Development
- Risk Management

The Board and top-level management have taken proactive measures to ensure the Company's adherence with the Malaysian Anti-Corruption Commission's (MACC) corporate liability law which came into force on June 1. The Group is committed to fighting corruption, enhancing integrity, and implementing good governance in its organisation by taking appropriate and consistent steps to ensure that the Company does not engage in corrupt activities.

Apart from the above-mentioned, specific grievance procedure is established by the Management to enable the employees to voice their grievances through multiple communication channels to the appropriate level of authority. This is part of the Group's efforts to establish and uphold impartiality in the work place.

Privacy Policy is put in place by the Group to collect and manage the confidential personal data collected from employees in compliance with Personal Data Protection Act.

There was no major legal action taken against the Group nor any fine or monetary sanction imposed related to social aspects during the financial year under review.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("Board") of MSCM Holdings Berhad ("MSCM" or the "Company") continues to believe that the practice of good corporate governance is important to ensure long-term sustainability and business prosperity and to preserve shareholders' trust. The Board is fully committed to maintaining high standards of corporate governance practices throughout MSCM and its subsidiaries ("Group") to safeguard the interests of the shareholders and stakeholders.

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 March 2020 with reference to the three (3) main principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the latest Malaysian Code on Corporate Governance ("MCCG" or "Code").

The Board has also provided specific disclosures on how the Company embrace or apply this Code in its Corporate Governance Report ("CG Report"). The CG Report is announced together with the Annual Report of the Company on 28 August 2020. The CG Overview Statement should be read in tandem with the CG Report to provide comprehensive disclosure of the application of each principles and practices set out in the MCCG during the financial year.

The CG Report can be accessed on the Company's website, by this link *https://about.panpages.com* for further details.

The Board is pleased to provide the following statement, which outlines the main corporate governance that has been in place throughout the financial year.

A. BOARD LEADERSHIP AND EFFECTIVENESS

(i) Functions and Responsibilities of the Board and Management

The Board is primarily responsible for determining the Company's strategic objective and policies and to monitor the progress toward achieving the objectives and policies. In this regards, the Board is guided by the principles and practices set out in the approved Board Charter to ensure that all Board members, acting collectively and individually on behalf of the Company, are aware of the specific functions of the Board, their duties and responsibilities and that the principles and practices of good corporate governance are applied in all their dealings in respect of, and on behalf of the Company.

To ensure the effectiveness in discharging its duties and responsibilities, the Board has delegated certain responsibilities to the Management and the committees appointed by the Board. The Board has established and delegated certain responsibilities to the following three (3) Board Committees, namely:-

a) Audit Committee
b) Nominating Committee
c) Remuneration Committee

Each committee operates its functions within their approved terms of reference by the Board.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(i) Functions and Responsibilities of the Board and Management (cont'd)

The principal responsibilities of the Board outlined in the Company's Board Charter include the following:-

- reviewing, approving and monitoring the overall strategies and direction of the Group;
- overseeing and evaluating the conduct and performance of the Group's businesses, including its control and accountability systems;
- identifying and managing principal risks affecting the Group;
- reviewing the adequacy and integrity of the Group's internal control systems, including systems for compliance with applicable laws, regulations, rules and guidelines;
- approving major capital expenditure, capital management and acquisitions/divestitures;
- ensuring that the statutory accounts of the Company are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- ensuring high standards of ethics and corporate behaviour in the conduct of business;
- approving policies relating to investors relations programme and shareholder communication and overseeing stakeholders communications; and
- commitment in governing management and providing oversight of the Company, including the appointment of senior management, the implementation of appropriate policies and procedures that govern the management conduct, ensure sustainability of the Company, the monitoring of performance and succession planning.

The Board is also ultimately responsible for the adequacy and integrity of the Company's internal control system. Details pertaining to the Company's internal control system and its effectiveness are available in the Statement on Internal Control and Risk Management of this Annual Report.

In order to uphold the board effectiveness, the Board ensures that it is supported by qualified and competent Company Secretaries. Presently, the Board is assisted by two (2) qualified and competent Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees shall be the prerogative of the Board as a whole.

Further information of the roles and responsibilities carried out by the Company Secretaries during the financial year ended 31 March 2020 are set out in Practice 1.4 of the Company's CG Report.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions as recommended by the MCCG including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management. There is a clear division of responsibilities between the Chairman and the Management during the financial year.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(i) Functions and Responsibilities of the Board and Management (cont'd)

Aside from the core responsibilities listed above, significant matters required deliberation and approval from the Board is clearly defined as the matters reserved for the Board's consideration and approval, which including decision on Group strategic/business plan, restructuring proposal, corporate exercises, investments or divestments, risk management policies, nomination of auditors, nomination of directors, review of the financial statement, financial and borrowing activities, annual budget, dividend policy, new issues of securities, ensuring compliances of regulatory and reviewing the adequacy and integrity of internal controls.

The Board Committees, namely Audit Committee, Nominating Committee and Remuneration Committee are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board and operate within their respective Terms of Reference. Although specific powers are delegated to the Board Committees, the Board Committees would report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for the final decision on all matters have to be approved by the Board. Also, the Board is informed of the key issues and recommendations or decisions made by each Board Committees through the reporting and tabling of minutes of the Board Committees meetings at Board Meetings.

As regards the duties delegated to the Management, their responsibilities are set out in the Board Charter which is available for reference at the Company's website at *https://about.panpages.com*.

The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. During the financial year, the position of the Chairman is held by an Independent Director. The Chairman also ensures that the management proposals are deliberated by Directors, executive and non-executive alike, and examined taking into account the interests of shareholders and other stakeholders.

The Management are providing executive leadership and are accountable to the Board for the business direction and operational decisions of the Group and ensuring the policies and corporate strategies set by the Board are effectively implemented. The non-executive Directors of calibre and experience provide the necessary balance of power and authority to the Board. The independent non-executive Directors provide unbiased and independent views to safeguard the interest of minority shareholders.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. All proceedings, deliberations and conclusions of the Board meetings are duly minuted and signed by the Chairman of the meetings.

The Chairman ensures that each Director is provided with timely notices for each Board meeting and Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed in the Board meeting and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

The Board has unrestricted access to timely and accurate information in furtherance of its duties.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(i) Functions and Responsibilities of the Board and Management (cont'd)

During the financial year ended 31 March 2020, six (6) Board meetings were held. The record of attendance is as follows:

Director	Number of Board Meetings	
	Attended	**Held**
YM Tengku Farith Rithauddeen	6	6
Wong Mun Wai	6	6
Yap Kien Ming	6	6
Chong Koon Meng	6	6
Kenny Khow Chuan Wah	6	6
Lau Kok Fui (alternate director: Wong Yee Ming)	6	6
Lim Peng Tong (appointed on 04.04.2019)	6	6
Ng Keok Chai (appointed on 14.11.2019)	2	2
Dato' Teoh Hai Hin (appointed on 05.08.2020)	NA	NA
Teoh Soon Han (appointed on 05.08.2020)	NA	NA

NA : not applicable as the appointment of directorship is after the financial year ended 31 March 2020.

All the Directors have complied with the minimum 50% attendance requirement as stipulated in the MMLR.

Training

All members of the Board (except for Dato' Teoh Hai Hin and Ms. Teoh Soon Han who were appointed recently on 5 August 2020) have attended the Mandatory Accreditation Programme, prescribed by Bursa Securities. Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the joint world marketplace and new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal development as a Director or as a member of the Board Committees.

Details of trainings attended by the Directors during the financial year ended 31 March 2020 are as follows:-

Director	Training Programmes
YM TENGKU FARITH RITHAUDDEEN	• PNB - Leadership Forum 2019 • Udemy- How to succeed in Digital Transformation
WONG MUN WAI	• MIA – Audit Committee members on Integrated Reporting • Bursa – Demystifying the Diversity Conundrum: The Road to Business Excellence • Nexia SSY - MFRS 9, MFRS 15 & MFRS 16 and Other Updates

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(i) Functions and Responsibilities of the Board and Management (cont'd)

Training (cont'd)

Director	Training Programmes
YAP KIEN MING	• Mastermind by Blair Singer Academy • MIA's Engagement Session with Audit Committee Members on Integrated Reporting
CHONG KOON MENG	• Bursa - Session on Corporate Governance & Anti-Corruption
KENNY KHOW CHUAN WAH	• Grant Thornton Malaysia PLT - Seminar on Recent • MFRS Developments (Highlights on the Practical Application Issues of MFRS 15 Revenue from Contracts with Customers and MFRS 16 Leases
LAU KOK FUI	• GE Aviation Operating system Foundations Training Curriculum • GE Aviation-Legal-Cyber-Security Annual Curr
LIM PENG TONG	• Bursa Malaysia Berhad - Demystifying The Diversity Conundrum: The Road to Business Excellence • Evaluating Effective Internal Audit Function: Audit Committee's Guide on How to • Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees • Institute of Corporate Directors Malaysia - Introduction to Corporate Directorship • Grant Thornton Malaysia Plt - Seminar on Recent MFRS Developments (Highlights on the Practical Application Issues of MFRS 15 Revenue from Contracts with Customers and MFRS 16 Leases)
NG KEOK CHAI	• MAP – Mandatory Accreditation Programme for Directors of Public Listed Company

(ii) Board Composition

The Board does not set specific criteria for assessment and selection of director candidate. However, consideration would be taken on the need to meet the regulatory requirements such as Companies Act 2016 and MMLR and other criteria discussed in the following paragraphs.

Throughout the financial year ended 31 March 2020, the Board consists of nine (9) members, i.e. four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and his Alternate Director and three (3) Executive Directors. Subsequent to the financial year end, the Company appointed two (2) new Board members, both were Executive Directors (i.e. The Executive Chairman and the Finance Director)

The present size and composition of the Board is appropriate for the complexity and scale of operations of the Group. As presently constituted, the Board is well balanced and has the stability, continuity and commitment as well as the capacity to discharge its responsibility effectively.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(ii) Board Composition (cont'd)

During the financial year, the positions of the Board Chairman and Executive Director are held by different individuals which represent that there is a strong element of independence in the Board. Effective 5 August 2020, the Chairman of the Company is an Executive Director. The Board is mindful of the dual role of the Board Chairman and Chief Executive position held by Dato' Teoh Hai Hin and would at it best endeavour apply Practice 4.1 of the MCCG where it require at least half of the board members comprises independent directors.

The Nominating Committee is empowered to identify and recommend new appointments to the Board. The potential candidates may be proposed by existing directors, senior management staff, shareholders or third party referral. Under normal circumstances, the Nominating Committee would review new board candidates proposed by the Executive Directors to fill vacancy arises from resignation, retirement or any other reasons and make the recommendation to the Board thereon for decision. Based on the recommendation the Nominating Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

Upon receipt of the proposal, the Nominating Committee is responsible to conduct assessment and evaluation on the proposed candidate. The assessment/evaluation process may include, at the Nominating Committee's discretion, reviewing the candidate's resume, curriculum vitae, biographical information, candidate's qualifications and conducting background searches as well as formal or informal interview at the Nominating Committee's discretion.

In discharging its duty, the Nominating Committee will assess the suitability of individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience, strength of qualities, competency and understanding of the business environment.

For appointment of Independent Directors, the Nominating Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the MMLR.

During the financial year ended 31 March 2020, the Nominating Committee had assessed several nomination of appointment of Directors proposed by the management of which all nominations were approved by the Board. Mr Lim Peng Tong was appointed as Executive Director on 4 April 2019 and Mr Ng Keok Chai was appointed as Independent Non-Executive Director on 14 November 2019.

The Nominating Committee undertakes annual assessment to evaluate the performance of each individual Director, the effectiveness of the Board and the Board Committees.

The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.

During the annual assessment exercise, the Directors are given a performance evaluation sheets for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms and upon completion, the forms are submitted to the Company Secretary for compilation of rating and scores which summary would then be presented to the Nominating Committee for further review and assessment.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(ii) Board Composition (cont'd)

At present, the Company does not have a formal gender diversity policy but acknowledges the recommendation of the MCCG on gender diversity. The Board is of the opinion that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age with priority of the Group's need to maximise the effectiveness of the Board, taking into account the balance of skills, experience, knowledge and independence, and based on the Group's needs and circumstances. Subsequent to the financial year, a female Executive Director was appointed on the Board.

Nevertheless, the Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract/retain women participation in the Board. The Group is committed to provide fair and equal opportunities and nurturing diversity with the Group. Also, the Group had zero tolerance of workplace harassment, age, religious, ethnicity and race or gender discrimination.

None of the Independent Directors have served the Company exceeding a cumulative terms of nine (9) years.

At present, the Company does not have a formal policy to limit the tenure of independent directors to 9 years. However, the Board is mindful of the recommendations in the MCCG to ensure effectiveness of independent directors.

(iii) Remuneration Policies and Procedures

The remuneration of the Executive Directors shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval. On the recommendation of the Remuneration Committee, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director abstained from discussions and decisions on their own remuneration. Under normal circumstances, the respective Director(s) would be excused from the relevant meetings before the deliberation on their remuneration take place.

The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval.

Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits, if so, recommended by the Remuneration Committee to the Board for approval.

The remuneration of non-executive directors, which is made up of Directors' fee, meeting allowance if any and other benefits, if any, proposed by the Remuneration Committee is determined by the Board.

The Directors may be remunerated by a fixed sum (for non-executive director) or by a percentage of profits (for executive directors) or otherwise as may be determined by the Board for the performance of extra services or to make any special exertions in going or residing away from his usual place of business or residence for any purpose of the Company or giving special attention to the business of the Company. Such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors. Such remuneration would be proposed by the Remuneration Committee to the Board for decision.

Currently, all Non-Executive Directors (regardless their chairmanship in the Board and/or Board Committee) are paid fixed director fees as a member of the Board.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(iii) Remuneration Policies and Procedures (cont'd)

Directors' fees and benefits (if any) payable to Non-Executive Directors are subject to the approval of the Company's shareholders at annual general meetings.

At the last Annual General Meeting held on 29 August 2019, the Company had obtained the shareholders' approval to empower the Board to pay directors' fee of not more than RM240,000 per annum to the non-executive directors for their services as directors of the Company until the next annual general meeting.

Remuneration of Directors

The Directors' fees and remuneration paid or payable to the Directors in the Company for the financial year ended 31 March 2020 is as follows:

Received from the Company	Fee (RM)	Salaries (RM)	Other emolument (RM)	Benefit-in-kind (RM)	Total (RM)
YM TENGKU FARITH RITHAUDDEEN	36,000	–	–	–	36,000
WONG MUN WAI	36,000	–	–	–	36,000
YAP KIEN MING	36,000	–	–	–	36,000
NG KEOK CHAI	13,500	–	–	–	13,500
LAU KOK FUI	36,000	–	–	–	36,000
KENNY KHOW CHUAN WAH	–	60,000	8,723	–	68,723
CHONG KOON MENG	–	60,000	8,723	–	68,723
LIM PENG TONG	–	60,000	2,499	–	62,499
Total	**157,500**	**180,000**	**19,945**	**–**	**357,445**

None of the Directors received/receivable any fees nor remuneration from the subsidiary companies within the Group.

At present, it is not the Company's policy of paying meeting allowances to the Non-Executive Directors for attendance at Board and/or Board Committee meetings.

Remuneration of Key Management Personnel

Details of the remuneration of the key management personnel on named basic for the financial year ended 31 March 2020 are disclosed on page 34 of this annual report except for Dato' Teoh Hai Hin and Ms Teoh Soon Han who were appointed to the Board after the financial year end.

(iv) Good Business Conduct and Healthy Corporate Culture

The Directors are expected to conduct themselves with the highest ethical standards by setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group.

The Corporate Code of Conduct & Ethics is available at the Company's website at *https://about.panpages.com*.

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(v) Whistleblowing Policy and Procedure

The Board encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistleblowing Policy and Procedure is available at the Company's website at *https://about.panpages.com*.

(vi) Anti-Bribery and Anti-Corruption Policy

The Board has adopted the Anti-Bribery and Anti-Corruption Policy across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

(i) Audit Committee

The Audit Committee was established by the Board to provide assistance to the Board of Directors in fulfilling statutory and fiduciary responsibilities with regards to the financial reporting process, reviewing the scope of and results of internal and external auditing processes and monitoring the effectiveness of the internal controls and risk management to ensure the Board makes properly informed decisions and the interests of shareholders are protected. The Chairman of the Audit Committee is not the Chairman of the Board. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants.

Composition of Audit Committee

The members are:-

Chairman	:	Wong Mun Wai *Senior Independent Non-Executive Director*
Member	:	YM Tengku Farith Rithauddeen *Independent Non-Executive Director*
	:	Yap Kien Ming *Independent Non-Executive Director*
	:	Lau Kok Fui *Non-Independent Non-Executive Director* (Alternate Director: Wong Yee Ming)

More details on the activities of the Audit Committee can be found in the Audit Committee Report on pages 44 to 46 of the Annual Report. The terms of reference of the Audit Committee is found on the Company's website at *https://about.panpages.com*.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

(ii) Risk Management and Internal Control

The Board is responsible for the overall risk management in the Group while Executive Directors together with the senior management team are primary responsible for managing risks in the Group.

The features of the Group's risk management and internal control framework covering the risk policy, risk appetite, risk assessment and the review process by the Board and Audit Committee and the key internal controls are presented in the Statement on Risk Management and Internal Control of the Annual Report.

The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control.

The Audit Committee is responsible for reviewing the engagement of the Internal Auditor. In assessing the Internal Auditor, the Audit Committee will take into consideration the adequacy of resources of the firm, services offered, core values, profile of the partners, competency of the staff assigned to the audit, etc. to determine the suitability and objectivity of the Internal Auditors. During the financial year, the Internal Audit function is carried out by Omar Arif & Co, an outsourced internal audit consulting firm. The firm was head by Mr. Leonard Lim. During the financial year, the Audit Committee received internal audit report presented by the outsourced Internal Auditors that contains the findings, recommendations and agreed management action plans for the internal audits conducted based on approved internal audit plan. Aside from reporting on the audit findings, the status of agreed management action plans for previous internal audit findings and the status of the approved internal audit plan was also presented to the Audit Committee. Additionally, the Audit Committee had assessed the adequacy and effectiveness of the internal audit functions through the review of the resources, experience and continuous professional development of the Internal Auditors for its adequacy.

The Audit Committee will review the engagement between the Group and the internal audit consulting firm to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(i) Communication with Stakeholders

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via the Company's annual reports, various disclosures to Bursa Securities including quarterly financial results and various announcements made from time to time.

The Group maintains a website at *https://about.panpages.com* where shareholders or investors may access information on the Group under "Investors" link encompassing corporate information, latest financial results, latest annual reports, announcements to Bursa Securities, Board Charter and Code of Conduct and Ethics of the Board.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

(ii) Conducting of General Meetings

The Company's general meeting remains the principal forum for dialogue with shareholders, in particular, private investors, whereby they are provided with an opportunity to participate, raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments/proposals of the Group, the resolutions being proposed and/or on the business of the Group and communicate their expectations and possible concerns.

The Board had adopted the recommendation of MCCG for the notice of general meetings to be given to shareholders at least 28 days prior to the meetings. All Board members will ensure their attendance in the general meetings and the respective chairman of the Board Committees, Senior Management and the Group's external auditors as well as the Company's advisers shall attend to respond to shareholders' questions during the general meetings of the Company as the case may be.

Explanation for each proposed resolution is set out in the notice of general meetings to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.29A (1) of the MMLR, all resolutions set out in the notice of general meetings will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters of the annual general meeting, if any, discussed during the said general meetings will be posted on the Company website.

The Company held its general meetings at the time and venue which were convenient and easily accessible to all shareholders. General meetings of the Company remain important avenues for the Board and Management to have better engagement with the shareholders present.

Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to attend and vote at the General Meetings. Shareholders are encouraged to attend general meetings of the Company. Shareholders who are unable to attend the general meetings are advised that they can appoint proxy(ies) to attend and vote on their behalf.

(iii) Sustainability

Strategies that promote sustainability, MSCM is committed to incorporating corporate responsibility practices in our business activities. Sustainability is embedded both in the way the business is run and how our products/services are designed and delivered. As part of its role, the Board provides oversight of key nonfinancial risks, opportunities and challenges that are currently being faced by the organisation as well as future prospects with regards to sustainability practices. Management is tasked to balance economic, social and environmental responsibilities in business activities. For the disclosure in the area of corporate responsibility, please refer to our Sustainability Statement, page 76 of this Report 2020.

This Statement is made in accordance with the resolution of the Board dated 21 August 2020. The Corporate Governance Report in the prescribed format is also available on the website.

OTHER COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

On 2 October 2019, the Company announced that the rights issue of shares with warrants and rights issue of Irredeemable Convertible Preference Shares ("ICPS") has been completed with the listing of 53,097,137 new shares with 159,291,411 free detachable Warrants and 796,457,055 ICPS on the Main Market of Bursa Securities ("Rights Issues").

The utilisation of proceeds as at 31 March 2020 from the Rights Issues are as follows:-

Description	Proposed Utilisation RM'000	Actual Utilisation as at 31 March 2020 RM'000	Intended time frame for utilisation
Capital expenditure and rental deposits	33,340	624	Within 36 months
Working capital requirements	18,557	543	Within 18 months
Expenses in relation to the Corporate Exercise	1,200	1,090	Within 2 weeks
Total	**53,097**	**2,257**	

MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interests which were still subsisting at the end of the financial year.

AUDIT FEES AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for the services rendered by external auditors of the Group for the financial year ended 31 March 2020 were as follows:

	Group RM	Company RM
Audit fees	89,000	37,000
Non-audit fees	5,000	5,000

RECURRENT RELATED PARTY TRANSACTIONS

During the financial year, there were no recurrent related party transactions of revenue or trading nature entered into by the Group.

STATEMENT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 23 May 2011, Bursa Malaysia Securities Berhad approved the company's new ESOS. The ESOS had an initial tenure of five (5) years and was extended on 3 July 2016 for another five (5) years until 3 July 2021 in accordance with the terms of the ESOS By-Laws.

There were no additional options granted under the ESOS Scheme during the FYE 2020.

Total numbers of ESOS options exercised and retracted during the FYE 2020 are as follows:-

	As at 01.04.2019	**Exercised**	**Lapsed**	**As at 31.03.2020**
Employees	684,200	–	(10,200)	674,000

Pursuant to the ESOS By-Law, the aggregate maximum allocation to Directors and Senior Management under the ESOS Scheme shall not be more than 50% of the options allocated.

Actual percentage granted to the Directors and Senior Management of the Group since the commencement of the ESOS Scheme is approximately 47.3%.

None of the present Non-Executive Directors were granted with the ESOS options since the date of the commencement of the ESOS Scheme.

KEY MANAGEMENT PERSONNEL

The Key Management Personnel are as follow:

1. Dato Teoh Hai Hin
   Executive Chairman

2. Kenny Khow Chuan Wah
   Executive Director

3. Chong Koon Meng
   Executive Director

4. Lim Peng Tong
   Executive Director

5. Teoh Soon Han
   Executive Director

The profiles of the key management personnel are outlined in their respective profile on pages 7, 14, 15, 16 and 17.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company are responsible for ensuring the financial statements of the Group and of the Company are properly drawn up in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for Financial Year Ended 31 March 2020, the Group and the Company had applied appropriate accounting policies on a consistent basis. The Directors also consider that all applicable approved accounting standards are adhered to in the preparation of the financial statement.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control of the Group in accordance with the Bursa Malaysia MMLR and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the MCCG. This Statement is guided by the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or fraud and losses.

The Board is assisted by Management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

RISK MANAGEMENT AND INTERNAL CONTROL

The key features of the risk management and internal control systems are described below.

Risk Management Framework

The Group has established a proper risk management framework that ensures an ongoing process for identifying, evaluating, managing and reporting risk that may affect the achievement of the Group's business objectives and strategies. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

The Group has in place risk profiles of major business units. Key risks of major business units were identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major business units were presented to the Audit Committee and Board for deliberation and approval for adoption.

The risk profile of the major business units of the Group are being monitored by its respective key Management staff. Key risks of the Group are discussed at Management and Board Meetings on a need basis.

Management will update the results of risk assessment including preparing detailed risk registers and document all discussions at Management and Board meetings on key risks and actions plans to address the key risks.

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Control System

The key elements of the Group's internal control system include:-

- Clear organisation structure, reporting lines of responsibilities and appropriate level of delegation;
- Clearly defined roles and responsibilities, authority and accountability within the Group;
- Limit of Authority ("LOA") matrix that clearly outlines Management limits and approval authority across various key processes;
- Recruitment of adequate experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that minimum controls are in place;
- Establishment of an effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Annual budgeting process which requires all business units/divisions to prepare budget and business plan on annual basis;
- Establishment of the internal policies and procedures for key functional units within the Group and regularly update the policies and procedures to reflect changing risks and business needs or to resolve operational deficiencies;
- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Management meetings are held to review and discuss business performance, strategy, business development, key management issues;
- Regular review of actual sales performance against target set by the Management. This enables effective monitoring of significant variances and deviation from the target and business objectives;
- Engage and appoint solicitors, financial advisors and other competent professional as may be required in respect of any corporate exercise undertaken by the Group;
- Periodic review of the adequacy and effectiveness of the system of internal control by the internal audit function; and
- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial year.

A review on the adequacy and effectiveness of the risk management and internal controls systems has been undertaken based on information from:-

- Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- Assessments of major business units and functional controls by respective Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and
- The work by the internal audit function which submitted the Internal Audit Strategy document highlighting the key processes and potential key risks for the Group and Internal Audit reports to the Audit Committee together with recommendations for improvement.

During the year, a number of improvements to internal controls were identified and addressed. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The Audit Committee will address and monitor the implementation of key action plans and any internal control weakness and ensure continuous process improvement.

The Board also received assurance from the Executive Director of the Company that the Group's current risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Whilst the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system, the Board acknowledges that a sound system of internal control can reduce, but cannot eliminate, the possibility of poor judgment in decision making; human error; control processes being deliberately circumvented by employees; management overriding controls and occurrence of unforeseen circumstances.

The above statement is made in accordance with the resolution of the Board dated 21 August 2020.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 March 2020.

The primary objective of the audit committee is to assist the board of directors in discharging its statutory duties and responsibilities relating to the corporate accounting and financial reporting practices for the Company and all its subsidiaries ("Group") and to ensure the adequacy and effectiveness of the Group's system of internal controls, providing oversight of both external and internal audit functions.

COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE

The present Audit Committee comprises of four (4) members who are all Non-Executive Directors with a majority of them being independent directors. The chairman of the Audit Committee is an independent Non-Executive Director. The foregoing meets the requirements of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee held five (5) meetings during the financial year ended 31 March 2020 which where attended by the members as tabulated below:-

Name of Directors	Status of Directorship	Number of Meetings Attended
Wong Mun Wai (Chairman of Audit Committee)	Senior Independent Non-Executive	5/5
YM Tengku Farith Rithauddeen (Member of Audit Committee)	Independent Non-Executive Director	5/5
Yap Kien Ming (Member of Audit Committee)	Independent Non-Executive Director	5/5
Lau Kok Fui (Alternate Director: Wong Yee Ming) (Member of Audit Committee)	Non-Independent Non-Executive Director	5/5

A full agenda and comprehensive set of meeting papers were circulated to each Audit Committee members with sufficient notification prior to each meeting. The Internal and External Auditor were called in when relevant.

The representatives from the Management attended the meetings by invitation for the purposes of briefing the Audit Committee on reports presented at the meeting and to clarify on issues that the Audit Committee may have with regard to the activities involving their areas of responsibilities.

The Internal Auditors attended two (2) meetings during the financial year ended 31 March 2020 at the invitation of the committee. At the said meetings the Internal Auditors briefed the Audit Committee on the audit plan and the audit findings in relation to Panpages Media Sdn Bhd focusing on production operations.

The External Auditors also attended at three (3) meetings during the financial year ended 31 March 2020 at the invitation of the Committee to brief the Audit Committee on annual audit issues. During the financial year under review, the Audit Committee met separately with the External Auditors without the presence of the Management.

Minutes of each Audit Committee meeting were recorded and tabled for confirmation at the next following Audit Committee meeting and subsequently presented to the Board at Board meeting for information. The Company Secretary is the Secretary to the Audit Committee.

AUTHORITY AND DUTIES OF THE AUDIT COMMITTEE

The Audit Committee is governed by its Terms of Reference which is available on the Company's website at *https://about.panpages.com*.

In accordance with its Terms of Reference, the works undertaken by the Audit Committee during the financial year ended 31 March 2020 included the deliberation and review of the following:-

Financial Reporting

- Reviewed the Company and the MSCM Group's compliance with Bursa Securities Main Market Listing Requirements, the requirements of the Companies Act 2016, applicable approved accounting standards in Malaysia and other relevant regulatory requirements, to ensure that the quarterly announcements of financial results and the audited Financial Statements are properly prepared;
- Discussed with the Management any significant changes to the regulations, standards and other regulatory requirements that may affect the financial reporting of the Group;
- Reviewed and discussed the quarterly unaudited financial results with the Management, in particular any significant items or transactions that have affected the financial performance of the Company and the Group and sought clarifications from the Management before its recommendation to the Board of Directors for their approval and release to Bursa Securities;
- Reviewed the annual audited Financial Statements of the Company and the MSCM Group for the financial year ended 31 March 2019 with the Management and the External Auditors before recommending them to the Board of Directors for their deliberation and approval and release to Bursa Securities;
- Reviewed the impact on the application of MFRS 16 as well as related disclosure in the audited financial statements of the Group;
- Reviewed Audit Committee statement, Statement on Risk Management and internal control and recommended the same to the Board for inclusion in the Annual Report;
- Consider and recommend to the Board the appointment of external and internal auditors; and
- Reviewed the recommendations by the external auditors in respect of control weaknesses noted during the course of their audit.

Internal Audit

- Oversaw the internal audit activities carried out by Internal Audit and ensure sufficient assistance was rendered by the Management and staff to Internal Audit;
- Discussed the Internal Audit reports, their major findings and recommendations and appraised the adequacy of the Management's responses in resolving the audit issues;
- Reviewed and recommended to the Board for their approval the Internal Auditor's recommendations for improvements by the Management;
- Monitored and reviewed the progress of follow-ups on audit findings to ensure remedial/corrective actions have been taken by the Management on a timely basis; and
- Discussed on the Internal Audit plan for year 2019 and the auditable business units and processes.

The costs incurred in maintaining the outsourced of the internal audit function for the financial year ended 31 March 2020 is RM6,420 (2019: RM39,425).

AUTHORITY AND DUTIES OF THE AUDIT COMMITTEE (CONT'D)

External Audit

- Reviewed and discussed with the External Auditors, their annual audit planning memorandum inclusive of the areas of audit emphasis, scope for the year and their audit strategies as well as the audit procedures prior to commencement of annual audit for the financial year ended 31 March 2020;
- Reviewed with the External Auditors and the Management, the results and observations of the External Audit, significant audit findings and adjustments arising therefrom together with the Management's responses to the findings;
- Appraised the performance and evaluated the independence and objectivity of the External Auditors in providing their services, including non-audit services to the Group; and made recommendations to the Board of Directors on their re-appointment and quantum of audit fees; and
- Met with the External Auditors without the presence of the Management to facilitate discussions of additional matters in relation to audit issues and internal control weaknesses noted in the course of their audit.

The Audit Committee had obtained confirmation from the External Auditors, Messrs Grant Thornton Malaysia PLT that they have complied with the relevant ethical requirements regarding their independence throughout the audit and that the provision of the non-audit services to the Company have not compromised their independence, nor were they aware of any relationships between them and the MSCM Group that may reasonably be thought to have impaired their independence.

The total amount of non-audit fees incurred by the Group for services provided by Messrs Grant Thornton Malaysia PLT for the financial year under review is RM5,000 (2019: RM5,000).

EVALUATION OF THE AUDIT COMMITTEE

For the financial year under review, an evaluation was carried out on the terms of office and performance of the Audit Committee.

Financial Statements

Financial Section

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The Company operates as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

RESULTS

	Group RM	Company RM
Net loss for the financial year	7,434,327	3,740,520
Attributable to:-		
Owners of the Company	7,434,327	3,740,520

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:-

YM Tengku Farith Rithauddeen (Chairman & Independent Non-Executive Director, redesignation to Independent Non-Executive Director on 5.8.2020)
Chong Koon Meng (Executive Director)#
Kenny Khow Chuan Wah (Executive Director)*^
Wong Mun Wai (Senior Independent Non-Executive Director)
Yap Kien Ming (Independent Non-Executive Director)
Lau Kok Fui (Non-Independent Non-Executive Director)
Wong Yee Ming (Alternate Director to Lau Kok Fui)
Lim Peng Tong (Executive Director, appointed on 4.4.2019)*
Ng Keok Chai (Executive Director, appointed on 14.11.2019)
Dato' Teoh Hai Hin (Executive Chairman, appointed on 5.8.2020)
Teoh Soon Han (Finance Director, appointed on 5.8.2020)
Datuk Haji Khan Bin Mohd Akram Khan (Managing Director, resigned on 4.4.2019)
Dirk Johann Quinten (Alternate Director to Datuk Haji Khan Bin Mohd Akram Khan, resigned on 4.4.2019)

^ also Director of HC Global Limited.
* also Directors of all subsidiaries except for Panpages Media Sdn. Bhd., Panpages Online Sdn. Bhd., CBSA International Sdn. Bhd., CBSA Bizhub Sdn. Bhd., and Cyber Business Solutions Sdn. Bhd..
# also Director of Food Cheetah Sdn. Bhd..

The names of the Directors of certain subsidiary companies in office during the financial year and up to the date of this report other than those named above are as follows:-

Tan Tian Sin
Fong Wai Leong
Christopher Ng Kwong Eu (resigned on 2.7.2019)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at the end of the financial year (including their spouses or children) are as follows:-

	Number of ordinary shares			
	At 1.4.2019/ Appointment date	**Bought**	**Sold**	**At 31.3.2020**
Direct interests				
Lau Kok Fui	10,776,400	–	–	10,776,400
Wong Yee Ming	8,840,800	–	–	8,840,800
Lim Peng Tong (appointed on 4.4.2019)	29,350,500	1,512,000	–	30,862,500
Indirect interest				
Lau Kok Fui	1,305,500	–	–	1,305,500

Other than disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling 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 year, no Director has received or become entitled to receive any benefits (other than those set out in Notes 26 and 27 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which the Director has a substantial financial interest.

ISSUE OF SHARES AND DEBENTURES

During the financial year the Company:-

(a) issued 53,097,137 new ordinary shares ("Right(s) Share(s)") on the basis of 1 Right Share for every 5 existing ordinary share at an issue price of RM0.25 each for a total cash consideration of RM13,274,284, together with 159,291,411 free detachable warrants on the basis of 3 warrants for every 1 Right Share subscribed; and

(b) issued 796,457,055 irredeemable convertible preference shares ("ICPS") on the basis of 3 ICPS for every 1 existing share at an issue price of RM0.05 each for a total cash consideration of RM39,822,853.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There was no debentures issued by the Company during the financial year.

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

The salient terms of the ICPS are disclosed in Note 16 to the Financial Statements.

WARRANTS

The Company had on 2 October 2019 allotted and issued 53,097,137 Right Shares together with 159,291,411 free warrants ("Warrant(s) 2019/2024") at an issue price of RM0.25 each on the basis of 3 warrants for every 1 Right Share subscribed. Each Warrant 2019/2024 entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 2 October 2019 to 1 October 2024, at an exercise price of RM0.25 in accordance with a deed poll. Any warrant not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

The ordinary shares issued from the exercise of Warrants 2019/2024 shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants 2019/2024.

As at 31 March 2020, 159,291,411 Warrants 2019/2024 remained unexercised.

OPTIONS GRANTED OVER UNISSUED SHARES

The salient features and other terms of the ESOS are disclosed in the Note 26 to the Financial Statements.

As at 31 March 2020, the options offered to take up unissued ordinary shares at an exercise price as follows:-

		Number of options over ordinary shares			
Date of offer	**Exercise price RM**	**At 1.4.2019**	**Retracted ***	**Exercised**	**At 31.3.2020**
4.7.2011	0.35	684,200	(10,200)	–	674,000

* Due to resignations

There were no options granted to those who were Directors at the end of the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year amounts to RM12,000.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that adequate provision had been made for doubtful debts and all known bad debts had been written off; and

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

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

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

In the opinion of the Directors:-

(a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) 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 operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS DURING AND AFTER THE FINANCIAL YEAR

Significant and subsequent events are disclosed in Note 31 to the Financial Statements.

AUDITORS

Details of auditors' remuneration are set out in Note 23 to the Financial Statements.

The Group and the Company have agreed to indemnify the auditors, Grant Thornton Malaysia PLT to the extent permitted under Section 289 of the Companies Act 2016.

The auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.... **LIM PENG TONG**	)	
	)	**DIRECTORS**
.... **KENNY KHOW CHUAN WAH**	)	

Kuala Lumpur
21 August 2020

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 58 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

………………………………………………	………………………………………………
LIM PENG TONG	**KENNY KHOW CHUAN WAH**

Kuala Lumpur
21 August 2020

STATUTORY DECLARATION

I, Kenny Khow Chuan Wah, being the Director primarily responsible for the financial management of MSCM Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 58 to 137 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
21 August 2020)

………………………………………………
KENNY KHOW CHUAN WAH
(MIA NO.: 31967)
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths
VALLIAMAH A/P PERIAN (W594)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MSCM HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MSCM Holdings Berhad, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 137.

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 of 31 March 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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.

<u>Group</u>

Revenue recognition

The risk – A significant amount of the Group's revenue arises from "Search and advertising". Search and advertising revenue mainly arises from sales of advertising space on internet and printed directories and third party advertising services.

Revenue from internet directories and third party advertising services is recognised when services are rendered whereas revenue from printed directories is recognised by reference to the proportion of printed directories circulated as at the financial year end. Based on the Group's business practices, sales invoices are usually issued to customers before services are rendered and before printed directories are circulated.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Group (cont'd)

Revenue recognition (cont'd)

We identified the timing of revenue recognition as a significant risk requiring special audit consideration because of the following possibilities:-

- revenue from internet directories and third party advertising services being recognised although services have not been rendered;
- revenue from printed directories being recognised although the directories have not been circulated; and
- revenue from printed directories not being recognised although the directories have been circulated.

Our response – For revenue from internet directories and third party advertising services, we tailored our procedures to ensure that revenue was recognised only when services have been performed. Among other procedures, we traced samples of revenue separately to supporting evidence including the original signed contracts and the advertisements in the internet portals.

For revenue from printed directories, we tailored our procedures to ensure that revenue was recognised only when the relevant directories were circulated. Among other procedures, we inspected a sample of items to original signed contracts, re-performed management's calculations and agreed the revenue recognised to the underlying accounting records.

The Group's disclosures regarding revenue recognition, revenue and contract liabilities are included in Notes 3.13, 18 and 22 to the Financial Statements.

Company

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, the subsidiary companies of which we have not acted as auditors are disclosed in Note 6 to the Financial Statements.

OTHER MATTER

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

……………………………………………………………

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

……………………………………………………………

HOOI KOK MUN
(NO: 02207/01/2022 (J))
CHARTERED ACCOUNTANT

Kuala Lumpur
21 August 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	1,668,922	543,733	20,646	8,582
Intangible assets	5	–	5,030,000	–	–
Investment in subsidiary companies	6	–	–	4,292,518	3,223,232
Investment in an associate company	7	–	–	–	–
Goodwill on consolidation	8	–	–	–	–
Other investments	9	9,432,787	9,826,502	9,432,787	9,826,502
Deferred tax assets	10	–	–	–	–
Contract costs	11	74,152	156,269	–	–
Total non-current assets		11,175,861	15,556,504	13,745,951	13,058,316
Current assets					
Trade receivables	12	801,962	1,432,815	–	–
Other receivables	13	356,590	922,455	73,588	599,308
Amount due from subsidiary companies	6	–	–	272,891	2,967,237
Contract costs	11	286,081	322,634	–	–
Tax recoverable		9,176	204,653	–	–
Other investments	9	31,849	46,889	–	15,040
Fixed deposits with licensed banks	14	30,282,500	58,281	30,224,219	–
Cash and bank balances		22,581,715	4,502,444	22,285,998	1,567,867
Total current assets		54,349,873	7,490,171	52,856,696	5,149,452
Total assets		65,525,734	23,046,675	66,602,647	18,207,768

STATEMENTS OF FINANCIAL POSITION
(cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	15	46,146,632	32,872,348	46,146,632	32,872,348
Irredeemable convertible preference shares	16	39,822,853	–	39,822,853	–
Share option reserve		66,394	67,802	66,394	67,802
Fair value reserve		(950,588)	(556,873)	(950,588)	(556,873)
Foreign currency translation reserve		–	(161,656)	–	–
Accumulated losses		(23,757,629)	(15,233,966)	(19,252,227)	(14,422,371)
Total equity		61,327,662	16,987,655	65,833,064	17,960,906
LIABILITIES					
Non-current liabilities					
Lease liabilities	17	663,584	78,477	–	–
Contract liabilities	18	205,429	336,414	–	–
Total non-current liabilities		869,013	414,891	–	–
Current liabilities					
Trade payables	19	404,668	559,897	–	–
Other payables	20	1,072,593	1,836,145	144,427	246,862
Contract liabilities	18	565,916	1,162,340	–	–
Amount due to subsidiary companies	6	–	–	625,156	–
Lease liabilities	17	195,376	71,103	–	–
Bank borrowing	21	1,090,295	2,014,644	–	–
Tax payable		211	–	–	–
Total current liabilities		3,329,059	5,644,129	769,583	246,862
Total liabilities		4,198,072	6,059,020	769,583	246,862
Total equity and liabilities		65,525,734	23,046,675	66,602,647	18,207,768

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	22	4,429,306	10,412,445	–	628,992
Cost of sales		(1,549,887)	(6,342,659)	–	–
Gross profit		2,879,419	4,069,786	–	628,992
Other income		4,986,678	8,372,904	–	3,501,689
Interest income		634,188	15,640	612,652	560
Impairment gain/(loss) on financial assets		197,347	(2,586,745)	(1,805,912)	(29,156,715)
Selling and distribution expenses		–	(22,854)	–	–
Administration expenses		(5,145,529)	(5,695,167)	(1,570,698)	(826,043)
Other expenses		(10,848,187)	(17,240,737)	(974,746)	–
Finance costs		(161,692)	(223,976)	–	–
Share of associate company's results		–	687,517	–	–
Loss before tax	23	(7,457,776)	(12,623,632)	(3,738,704)	(25,851,517)
Tax income/(expense)	24	23,449	(493,460)	(1,816)	12,240
Loss for the financial year		(7,434,327)	(13,117,092)	(3,740,520)	(25,839,277)
Other comprehensive (loss)/income					
Items that will be subsequently reclassified to profit or loss:					
- Foreign currency translation differences		(482,656)	(417,464)	–	–
- Reversal of foreign currency translation reserve arising from disposal of a subsidiary company		644,312	143,617	–	–
Item that will not be subsequently reclassified to profit or loss:					
- Fair value adjustment on investment in unquoted shares		(393,715)	(556,873)	(393,715)	(556,873)
Total comprehensive loss for the financial year		(7,666,386)	(13,947,812)	(4,134,235)	(26,396,150)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Loss for the financial year attributable to:-					
Owners of the Company		(7,434,327)	(13,072,016)	(3,740,520)	(25,839,277)
Non-controlling interests		–	(45,076)	–	–
		(7,434,327)	(13,117,092)	(3,740,520)	(25,839,277)
Total comprehensive loss attributable to:-					
Owners of the Company		(7,666,386)	(13,844,295)	(4,134,235)	(26,396,150)
Non-controlling interests		–	(103,517)	–	–
		(7,666,386)	(13,947,812)	(4,134,235)	(26,396,150)
Losses per share attributable to equity holders of the Company (sen)					
- Basic	25	(2.55)	(4.92)		
- Diluted	25	*	*		

* *anti-dilutive in nature*

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	← Attributable to owners of the Company						→		
		← Non-distributable			→				
	Share capital RM	Irredeemable convertible preference shares RM	Share option reserve RM	Fair value reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group									
Balance at 1 April 2018	32,872,348	–	78,009	–	53,750	(2,161,950)	30,842,157	(1,468,729)	29,373,428
Net loss for the financial year	–	–	–	–	–	(13,072,016)	(13,072,016)	(45,076)	(13,117,092)
Other comprehensive loss for the financial year	–	–	–	(556,873)	(215,406)	–	(772,279)	(58,441)	(830,720)
Total comprehensive loss for the financial year	–	–	–	(556,873)	(215,406)	(13,072,016)	(13,844,295)	(103,517)	(13,947,812)
Transaction with owners:									
Reversal of share-based payment under ESOS	–	–	(10,207)	–	–	–	(10,207)	–	(10,207)
Disposal of subsidiary companies	–	–	–	–	–	–	–	1,572,246	1,572,246
Balance at 31 March 2019	32,872,348	–	67,802	(556,873)	(161,656)	(15,233,966)	16,987,655	–	16,987,655
Net loss for the financial year	–	–	–	–	–	(7,434,327)	(7,434,327)	–	(7,434,327)
Other comprehensive loss for the financial year	–	–	–	(393,715)	161,656	–	(232,059)	–	(232,059)
Total comprehensive loss for the financial year	–	–	–	(393,715)	161,656	(7,434,327)	(7,666,386)	–	(7,666,386)
Transactions with owners:									
Issuance of ordinary shares	13,274,284	–	–	–	–	–	13,274,284	–	13,274,284
Issuance of irredeemable convertible preference shares	–	39,822,853	–	–	–	–	39,822,853	–	39,822,853
Share issuance expenses	–	–	–	–	–	(1,089,336)	(1,089,336)	–	(1,089,336)
Reversal of share-based payment under ESOS	–	–	(1,408)	–	–	–	(1,408)	–	(1,408)
Total transactions with owners	13,274,284	39,822,853	(1,408)	–	–	(1,089,336)	52,006,393	–	52,006,393
Balance at 31 March 2020	46,146,632	39,822,853	66,394	(950,588)	–	(23,757,629)	61,327,662	–	61,327,662

	Attributable to owners of the Company					
		Non-distributable				
	Share capital RM	Irredeemable convertible preference shares RM	Share option reserve RM	Fair value reserve RM	(Accumulated losses)/ Retained earnings RM	Total RM
Company						
Balance at 1 April 2018	32,872,348	–	78,009	–	11,416,906	44,367,263
Net loss for the financial year	–	–	–	–	(25,839,277)	(25,839,277)
Other comprehensive loss for the financial year	–	–	–	(556,873)	–	(556,873)
Total comprehensive loss for the financial year	–	–	–	(556,873)	(25,839,277)	(26,396,150)
Transaction with owners:						
Reversal of share-based payment under ESOS	–	–	(10,207)	–	–	(10,207)
Balance at 31 March 2019	32,872,348	–	67,802	(556,873)	(14,422,371)	17,960,906
Net loss for the financial year	–	–	–	–	(3,740,520)	(3,740,520)
Other comprehensive loss for the financial year	–	–	–	(393,715)	–	(393,715)
Total comprehensive loss for the financial year	–	–	–	(393,715)	(3,740,520)	(4,134,235)
Transactions with owners:						
Issuance of new shares	13,274,284	–	–	–	–	13,274,284
Issuance of irredeemable convertible preference shares	–	39,822,853	–	–	–	39,822,853
Share issuance expenses	–	–	–	–	(1,089,336)	(1,089,336)
Reversal of share-based payment under ESOS	–	–	(1,408)	–	–	(1,408)
Total transactions with owners	13,274,284	39,822,853	(1,408)	–	(1,089,336)	52,006,393
Balance at 31 March 2020	46,146,632	39,822,853	66,394	(950,588)	(19,252,227)	65,833,064

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
OPERATING ACTIVITIES					
Loss before tax		(7,457,776)	(12,623,632)	(3,738,704)	(25,851,517)
Adjustments for:-					
Amortisation of intangible assets		–	662,790	–	–
Bad debts written off		5,074,217	3,459,414	–	–
Depreciation		426,124	365,436	5,986	1,105
Impairment loss on intangible assets		5,000,000	5,000,000	–	–
Impairment loss on trade receivables		1,936,606	2,586,745	–	–
Impairment loss on amount due from subsidiary company		–	–	1,805,912	29,156,715
Impairment loss on investment in subsidiary company		–	–	930,716	–
Impairment loss on goodwill		–	7,998,417	–	–
Interest expenses		161,692	223,976	–	–
Other investment written off		–	55,000	–	–
Property, plant and equipment written off		734,670	10,046	44,030	–
Intangible assets written off		30,000	–	–	–
Share of associate company's results		–	(687,517)	–	–
Interest income		(634,188)	(15,640)	(612,652)	(560)
Gain on disposal of property, plant and equipment		(151,150)	(75,775)	–	–
Gain on disposal of subsidiary companies		(4,785,623)	(4,212,003)	–	(3,499,998)
Reversal of impairment loss on trade receivables		(2,133,953)	–	–	–
Reversal of share-based payment under ESOS		(1,408)	(10,207)	(1,408)	(10,207)
Unrealised loss/(gain) on foreign exchange		25	(592,994)	–	–
Operating (loss)/profit before working capital changes		(1,800,764)	2,144,056	(1,566,120)	(204,462)
Changes in working capital:-					
Receivables		704,049	2,345,513	525,720	(590,175)
Payables		(366,088)	(2,605,725)	(102,435)	83,058
Contract costs		281,585	729,691	–	–
Contract liabilities		(727,409)	(1,602,841)	–	–
Cash (used in)/from operations		(1,908,627)	1,010,694	(1,142,835)	(711,579)
Interest paid		(161,692)	(223,976)	–	–
Tax refunded		218,813	139,747	–	–
Tax paid		(5,277)	(72,658)	(1,816)	(71,760)
Net cash (used in)/from operating activities		(1,856,783)	853,807	(1,144,651)	(783,339)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
INVESTING ACTIVITIES					
Interest received		634,188	13,870	612,652	560
Payment for intangible assets		–	(30,000)	–	–
Purchase of property, plant and equipment	A	(1,689,725)	(95,445)	(62,080)	(8,830)
Proceeds from disposal of property, plant and equipment		388,650	138,637	–	–
Net cash (outflow)/inflow from disposal of a subsidiary company		(115,555)	3,135,465	–	3,500,000
Acquisition of share in new subsidiary company		–	–	(4)	–
Acquisition of share in existing subsidiary company		–	–	(1,999,998)	–
Net cash (used in)/from investing activities		(782,442)	3,162,527	(1,449,430)	3,491,730
FINANCING ACTIVITIES					
Proceeds from issuance of shares, net of share issuance expenses		12,184,948	–	12,184,948	–
Proceeds from issuance of irredeemable convertible preference shares		39,822,853	–	39,822,853	–
Repayment of lease liabilities		(165,257)	(160,798)	–	–
Advance from/(repayment to) subsidiary companies		–	–	1,513,590	(1,143,139)
Net cash from/(used in) financing activities		51,842,544	(160,798)	53,521,391	(1,143,139)
CASH AND CASH EQUIVALENTS					
Net changes		49,203,319	3,855,536	50,927,310	1,565,252
Effect of foreign currency translation differences on cash and cash equivalents		9,480	19,179	–	–
At beginning of financial year		2,534,689	(1,340,026)	1,582,907	17,655
At end of financial year	B	51,747,488	2,534,689	52,510,217	1,582,907

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Total acquisition cost	2,524,905	95,445	62,080	8,830
Less: Additions of right-of-use assets	(835,180)	–	–	–
Total cash acquisition	1,689,725	95,445	62,080	8,830

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following :-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other investments (Note 9)	31,849	46,889	–	15,040
Bank borrowing (Note 21)	(1,090,295)	(2,014,644)	–	–
Fixed deposits	30,282,500	58,281	30,224,219	–
Cash and bank balances	22,581,715	4,502,444	22,285,998	1,567,867
	51,805,769	2,592,970	52,510,217	1,582,907
Less: Fixed deposits pledged	(58,281)	(58,281)	–	–
	51,747,488	2,534,689	52,510,217	1,582,907

C. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group 2020 RM	Company 2020 RM
Included in net cash used in operating activities:		
Payment relating to short-term leases	567,616	138,624
Interest paid in relation to lease liabilities	43,214	–
Included in net cash from financing activities:		
Payment of lease liabilities	165,257	–
Total cash outflows for leases	776,087	138,624

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

1. GENERAL INFORMATION

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

The registered office of the Company is located at 802, 8th Floor, Block C, Kelana Square, 17, Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 18, Jalan Pemaju U1/15, Section U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The Company operates as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 August 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

A fair value measurement of a non-financial market 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the Financial Statements to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial year.

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of new standards/amendments/improvements to MFRSs (cont'd)

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements, except for:-

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have an impact for leases where the Company is a lessor.

The Group adopted MFRS 16 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application of 1 April 2019. Consequently, comparative information has not been restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application.

The Group has lease contracts for premises and motor vehicles. Before the adoption of MFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases. The standard provides specific transition requirements and practical expedients which have been applied by the Group.

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of new standards/amendments/improvements to MFRSs (cont'd)

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements, except for (cont'd):-

MFRS 16 Leases (cont'd)

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 were applied to these leases from 1 April 2019.

The Group's right-of-use assets recognised previously under finance leases in the statements of financial position were identified as follows:-

	Carrying amount RM
1.4.2019	
Motor vehicles	124,991

In the statements of financial position, right-of-use assets continue to be included in property, plant and equipment.

Leases previously accounted for as operating leases

The Group recognises right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases).

The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Based on the above, as at 1 April 2019 right-of-use assets of RM39,457 and lease liabilities of RM 39,457 were recognised and presented separately in the statements of financial position.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs and IC Interpretations effective 1 January 2020:-

Amendments to MFRS 3*	Definition of a Business
Amendments to MFRS 7, 9 and 139*#	Interest Rate Benchmark Reform
Amendments to MFRS 101 and 108	Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards (MFRS 2, 3, 6, 14, 101, 108, 134, 137, 138 and IC Interpretation 12, 19, 20, 22 and 132)

Amendments to MFRSs effective 1 June 2020:-

Amendments to MFRS 16*	Covid-19-Related Rent Concessions

Amendments to MFRSs effective 1 January 2022:-

Amendments to MFRS 3	References to the Conceptual Framework
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137*#	Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018-2020 (MFRS 1, 9, 16 and 141)

Amendments to MFRSs effective 1 January 2023:-

MFRS 17*#	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

Amendments to MFRSs (effective date deferred indefinitely):-

MFRS 10 and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

\# Not applicable to Group's operations
* Not applicable to Company's operation

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (cont'd)

The initial application of the above standards/amendments/improvements are not expected to have any impact on the financial statements, except for:-

Amendments to MFRS 101 and MFRS 108: Definition of Material

In October 2018, the MASB issued amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statement, which provide financial information about a specific reporting entity".

The amendments to the definition of material is not expected to have significant impact on the Group and the Company's financial statements.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the plant and equipment and right-of-use assets to be within 3 to 12.5 years and reviews the useful lives of depreciable assets at each reporting date. At 31 March 2020, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Amortisation of intangible assets

Intangible assets are amortised for a period of 3 to 10 years based on management estimated useful life. Intangible assets with finite useful life were fully amortised since previous financial year.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 29 to the Financial Statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Employee share options

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions and the carrying amounts are disclosed in Note 26 to the Financial Statements.

2.6.2 Significant management judgement

The following is the significant management judgement in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiary companies

Subsidiary companies are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, 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. Besides, the Group 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.

Investment in subsidiary companies is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiary companies have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting year.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.4 Loss of control

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary company, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary company not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if that results in a deficit balance.

3.1.6 Associate company

An associate company is an entity in which the Company has significant influence but no control, over their financial and operating policies.

The Group's investment in its associate company is accounted for using the equity method. Under the equity method, investment in an associate company is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate company since the acquisition date. Goodwill relating to the associate company is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate company is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate company, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate company are eliminated to the extent of the interest in the associate company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.6 Associate company (cont'd)

The aggregate of the Group's share of profit or loss of an associate company is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate company.

When the Group's share of losses exceeds its interest in an associate company, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate company.

The financial statements of the associate company are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associate company in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate company. The Group determines at each end of the reporting year whether there is any objective evidence that the investment in the associate company is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate company and their carrying value, then recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

Upon loss of significant influence over the associate company, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate company decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investment in associate company is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency translation

The Group's consolidated financial statements are presented in RM, which is also the Group's functional currency.

3.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3.2.2 Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting year. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Tools and office equipment	20%
Furniture and fittings	8% - 20%
Motor vehicles	20%
Computers	33.33%
Renovations	20%

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases

Accounting policies applied from 1 April 2019

The Group has adopted MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported under MFRS 117, Leases and related interpretations.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.4.1 As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.4.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

- Premises – 1 to 7 years
- Motor vehicle – 5 years

If ownership of the lease asset transfers to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as detailed in Note 3.8 to the Financial Statements.

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

<u>Accounting policies applied from 1 April 2019</u> (cont'd)

3.4.1 As lessee (cont'd)

3.4.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.4.1.3 Short-term leases

The Group and the Company apply the short-term lease recognition exemption to its short-term leases. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

Accounting policies applied until 31 March 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.4.2.1 Operating leases

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

3.4.2.2 Finance leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs and content database expenditure, are not capitalised and expenditure is reflected in the profit or loss in the year in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and is treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets (cont'd)

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the profit or loss when the asset is derecognised.

3.5.1 Trademarks, customer lists and relationships

These intangible assets were acquired in a business combination. The useful lives of these intangible assets are estimated to be indefinite because based on the current market share of the trademarks, management believes there is no foreseeable limit to the period over which trademarks and the customer lists and relationships are expected to generate net cash inflows for the Group.

3.5.2 Content databases

Development costs on content database are recognised initially at cost when the cost incurred are directly attributable to the development of the new content databases that will be available for use or sale. Following initial recognition, content database expenditures are carried at cost less accumulated amortisation and any accumulated impairment losses. Costs to update or remove the content databases are not capitalised and expensed to profit or loss as incurred. The content databases have a finite useful life and are amortised on a straight-line basis over 3 years, being the expected useful life and assessed for impairment whenever there is an indication that the content databases may be impaired.

The amortisation period and the amortisation method for the content databases with a finite useful life are reviewed at least at each reporting date.

Content databases are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

3.5.3 Website under development

Website under development refers to website portal under development for intended use in future. The amount of website under development is stated at cost and are not depreciated until it is completed and ready for its intended use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. The Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

At the reporting date, the Group and the Company carry financial assets at amortised cost, financial assets at fair value through OCI (equity instruments) and financial assets at fair value through profit or loss on its statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.1 Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's trade and other receivables, amount due from subsidiary companies and cash and cash equivalents fall into this category of financial instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its investment in unquoted shares under this category.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flow are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedge accounting requirements apply.

Asset in this category is measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market exists.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.1 Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluates if, and to what extent, they has retained the risks and rewards of ownership. When they has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.1 Financial assets (cont'd)

Impairment (cont'd)

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

The Group and the Company consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.6.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of lease liabilities and borrowing and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include bank borrowing, trade and other payables and amount due to subsidiary companies.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.2 Financial liabilities (cont'd)

Derecognition

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

3.6.3 Offsetting of financial instruments

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

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, short term demand deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current.

3.8 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Goodwill is tested for impairment annually as at the end of each reporting year, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting year, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.9 Equity, reserves and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares and warrants are equity instruments.

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Group's and the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the foreign currency translation reserve.

Accumulated losses/retained earnings include all current year's losses and prior years' accumulated losses.

All transactions with owners of the Group and the Company are recorded separately within equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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

3.11 Employee benefits

3.11.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.11.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employees services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Share-based payment transactions

3.12.1 Equity-settled share-based payment transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income reflected in profit or loss represents the movement in cumulative expense recognised as at the beginning and the end of that year and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognise is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13 Revenue from contracts with customers

3.13.1 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicity stated in the contract and implied in the Group's or the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group or the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as services tax or goods and services tax.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue from contracts with customers (cont'd)

3.13.1 Revenue recognition (cont'd)

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group or the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services. The control over the goods or services is transferred over time and revenue is recognised over time if:-

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

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation is measured on the basis of direct measurements of the values to the customer of the goods or services transferred to date relative to the remaining goods of services promised under the contract.

Revenue from sales of advertising space on internet directories and third party online advertising services are recognised at a point in time upon rendering of services.

Revenue from sales of advertising space on printed directories is recognised over time by reference to the proportion of directory journals circularised to date bear to the estimated total directory journals to be circularised which is an output method that faithfully depicts the Company's performance towards complete satisfaction of its performance obligations.

Revenue from sales of content databases is recognised at a point in time upon delivery of content data databases.

Revenue from software and hardware maintenance is recognised over the term of the contract.

Interest income is recognised in profit or loss as it accrues using the effective interest method.

Management fee is recognised when services are rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue from contracts with customers (cont'd)

3.13.2 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities related to the sales of advertising space on printed directories which are not expected to deliver within twelve months are classified as non-current.

3.13.3 Contract costs

Contract costs comprise costs incurred from the commencement of the production of the printed business directory journals. The contract costs are recognised as current assets when the related publication or period over term of the contract is expected to be completed within twelve months. The contract costs are classified as non-current assets when the related publication or period over term of the contract is not expected to be completed within twelve months from the reporting date. The contract costs are charged to the cost of sales when the related revenue is recognised upon the publication of the printed business directory journals. In the event that the publication is not expected to be materialised, the contract costs incurred are written off immediately to profit or loss.

3.14 Tax expenses

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

3.14.1 Current tax

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

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax expenses (cont'd)

3.14.2 Deferred tax

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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

3.15 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 revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

4. PROPERTY, PLANT AND EQUIPMENT

Group

	Tools and office equipment RM	Furniture and fittings RM	Motor vehicles RM	Computers RM	Renovations RM	Premises RM	Total RM
Cost							
At 1 April 2018	1,196,277	160,840	1,379,810	2,302,006	2,187,378	–	7,226,311
Additions	20,461	–	–	8,830	66,154	–	95,445
Disposals	–	(4,853)	(253,355)	–	–	–	(258,208)
Disposal of subsidiaries	(133,632)	–	–	(32,797)	–	–	(166,429)
Written off	(10,513)	(26,321)	–	(75,682)	(23,925)	–	(136,441)
Foreign currency translation differences	5,116	779	4,507	3,301	–	–	13,703
At 31 March 2019	1,077,709	130,445	1,130,962	2,205,658	2,229,607	–	6,774,381
Adjustment on initial application of MFRS 16	–	–	–	–	–	39,457	39,457
At 1 April 2019	1,077,709	130,445	1,130,962	2,205,658	2,229,607	39,457	6,813,838
Additions	499	2,598	916,340	23,162	747,126	835,180	2,524,905
Disposals	(5,650)	–	(894,069)	–	–	–	(899,719)
Disposal of subsidiaries	(1,635)	(10,006)	(87,554)	(42,832)	–	–	(142,027)
Foreign currency translation differences	87	529	4,628	2,264	–	–	7,508
Written off	(101,934)	(1,100)	–	(1,273,240)	(949,265)	–	(2,325,539)
At 31 March 2020	969,076	122,466	1,070,307	915,012	2,027,468	874,637	5,978,966

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

Group (cont'd)

	Tools and office equipment RM	Furniture and fittings RM	Motor vehicles RM	Computers RM	Renovations RM	Premises RM	Total RM
Accumulated depreciation							
At 1 April 2018	1,080,530	130,544	1,035,167	2,006,745	2,074,312	–	6,327,298
Charge for the financial year	69,160	8,492	109,761	70,929	107,094	–	365,436
Disposals	–	(4,657)	(190,689)	–	–	–	(195,346)
Disposal of subsidiaries	(130,870)	–	–	(18,976)	–	–	(149,846)
Written off	(6,176)	(25,913)	–	(75,433)	(18,873)	–	(126,395)
Foreign currency translation differences	4,842	709	1,464	2,486	–	–	9,501
At 31 March 2019	1,017,486	109,175	955,703	1,985,751	2,162,533	–	6,230,648
Charge for the financial year	35,137	5,621	146,757	50,619	77,169	110,821	426,124
Disposals	(5,650)	–	(656,569)	–	–	–	(662,219)
Disposal of subsidiaries	(1,635)	(9,596)	(45,839)	(41,452)	–	–	(98,522)
Foreign currency translation differences	86	506	2,140	2,150	–	–	4,882
Written off	(97,692)	(719)	–	(1,120,149)	(372,309)	–	(1,590,869)
At 31 March 2020	947,732	104,987	402,192	876,919	1,867,393	110,821	4,310,044
Net carrying amount							
31 March 2020	21,344	17,479	668,115	38,093	160,075	763,816	1,668,922
31 March 2019	60,223	21,270	175,259	219,907	67,074	–	543,733

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

Company

	Motor vehicle RM	Computer RM	Renovation RM	Office equipment RM	Total RM
Cost					
At 1 April 2018	449,070	10,208	–	–	459,278
Addition	–	8,830	–	–	8,830
At 31 March 2019	449,070	19,038	–	–	468,108
Additions	–	11,882	47,600	2,598	62,080
Disposal	(449,070)	–	–	–	(449,070)
Written off	–	–	(47,600)	–	(47,600)
At 31 March 2020	–	30,920	–	2,598	33,518
Accumulated depreciation					
At 1 April 2018	449,069	9,352	–	–	458,421
Charge for the financial year	–	1,105	–	–	1,105
At 31 March 2019	449,069	10,457	–	–	459,526
Charge for the financial year	1	2,313	3,570	102	5,986
Disposal	(449,070)	–	–	–	(449,070)
Written off	–	–	(3,570)	–	(3,570)
At 31 March 2020	–	12,770	–	102	12,872
Net carrying amount					
31 March 2020	–	18,150	–	2,496	20,646
31 March 2019	1	8,581	–	–	8,582

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

Information on right-of-use assets are as follows:-

Group 31.3.2020	Carrying amount included in property, plant and equipment RM	Depreciation charged for the financial year RM	Additions RM
Premises	763,816	110,821	835,180
Motor vehicles	51,750	73,241	–
Total right-of-use assets	815,566	184,062	835,180

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

In prior year, included in property, plant and equipment are assets under unexpired hire purchase and finance lease arrangements with net carrying amounts as follows:-

Group 31.3.2019	Amount RM
Motor vehicles	124,991

5. INTANGIBLE ASSETS

Group

	Trademarks RM	Customer lists and relationships RM	Website under development RM	Content databases RM	Total RM
Cost					
At 1 April 2018	9,322,657	11,539,503	–	11,403,673	32,265,833
Additions	–	–	30,000	–	30,000
Disposal of subsidiaries	–	–	–	(11,403,673)	(11,403,673)
At 31 March 2019	9,322,657	11,539,503	30,000	–	20,892,160
Written off	–	–	(30,000)	–	(30,000)
At 31 March 2020	9,322,657	11,539,503	–	–	20,862,160
Accumulated amortisation					
At 1 April 2018	–	–	–	10,533,984	10,533,984
Amortisation for the financial year	–	–	–	662,790	662,790
Disposal of subsidiaries	–	–	–	(11,196,774)	(11,196,774)
At 31 March 2019/2020	–	–	–	–	–
Accumulated impairment					
At 1 April 2018	322,657	10,539,503	–	–	10,862,160
Impairment for the financial year	5,000,000	–	–	–	5,000,000
At 31 March 2019	5,322,657	10,539,503	–	–	15,862,160
Impairment for the financial year	4,000,000	1,000,000	–	–	5,000,000
At 31 March 2020	9,322,657	11,539,503	–	–	20,862,160
Net carrying amount					
31 March 2020	–	–	–	–	–
31 March 2019	4,000,000	1,000,000	30,000	–	5,030,000

5. INTANGIBLE ASSETS (CONT'D)

Group (cont'd)

Trademarks

The trademarks relate to 'Superpages' directory journal and were acquired together with customer list and relationships in a business combination.

Content databases

Content databases comprised corporation information that the Group accumulated in its databases. These records were digitised and indexed. The costs incurred related to the employees' remuneration to scan, key and index the content to content databases. Content databases were amortised on straight-line basis over 3 years after they were capitalised.

Website under development

Website under development refers to website portal under development for intended use in future. The amount of website under development is stated at cost and are not depreciated until it is completed and ready for its intended use.

Impairment loss review of trademarks and customer relationships

For the purpose of impairment testing, trademarks and customer relationships have been allocated to cash generating units ("CGU") according to respective subsidiary companies' operations. The recoverable amounts of the CGU have been determined based on value in use calculations using cash flows projections from financial budgets approved by management covering a five-year period.

The key assumptions used for value in use calculations are:-

	Growth rate		Discount rate	
	2020	2019	2020	2019
	%	%	%	%
Search and advertising	–	–	–	10

The following describes each key assumption on which management has based its discounted cash flows projections to undertake impairment testing of goodwill and intangible assets:-

(i) **Growth rate**

The projected growth rate was based on actual operating results and a 5-year business plan.

(ii) **Discount rate**

The discount rate was estimated based on the weighted average cost of capital of the Group.

In the previous financial year, the Group incurred an impairment loss of RM7,998,417 on goodwill during the financial year in order to reduce the carrying amount of goodwill to its recoverable amount.

Based on the assessment at the reporting date, the carrying amount of the trademarks and customer relationships was determined to be higher than its recoverable amount, and therefore an impairment loss of RM 5,000,000 (2019: RM5,000,000) was recognised.

6. INVESTMENT IN SUBSIDIARY COMPANIES

Company

	2020 RM	2019 RM
Unquoted shares:-		
At cost	7,788,234	5,788,232
Less: Impairment loss		
At 1 April	(2,565,000)	(2,565,000)
Impairment loss during the financial year	(930,716)	–
At 31 March	(3,495,716)	(2,565,000)
	4,292,518	3,223,232

The particulars of subsidiary companies are as follows:-

Name of company	Principal place of business	Effective interest 2020 %	Effective interest 2019 %	Principal activities
Cyber Business Solutions Sdn. Bhd.	Malaysia	100	100	Provision of software solutions.
HS Bio Supplies Sdn. Bhd. (formerly known as HC MSC Sdn. Bhd. and CBSA MSC Sdn. Bhd.)	Malaysia	100	100	Development and provision of software applications.
HS Synergy Sdn. Bhd. (formerly known as CBSA Synergy Sdn. Bhd.)	Malaysia	100	100	Investment holding.
CBSA Bizhub Sdn. Bhd.	Malaysia	100	100	Investment holding.
Food Cheetah Sdn. Bhd.	Malaysia	100	100	Investment holding and money lending.
HC Global Limited*	Malaysia	100	–	Dormant.
Subsidiary company of HS Synergy Sdn. Bhd. (formerly known as CBSA Synergy Sdn. Bhd.):-				
CASD Solutions Sdn. Bhd.	Malaysia	100	100	Inactive.

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The particulars of subsidiary companies are as follows (cont'd):-

Name of company	Principal place of business	Effective interest 2020 %	Effective interest 2019 %	Principal activities
Subsidiary companies of CBSA Bizhub Sdn. Bhd.:-				
CBSA International Sdn. Bhd.	Malaysia	100	100	Investment holding.
PanPages Online Sdn. Bhd.	Malaysia	100	100	Research and development of local business platform, advertisement and online solutions.
CBSA Pancommerce Sdn. Bhd.>	Malaysia	–	100	Inactive.
PanPages Ltd.*	British Virgin Islands	–	100	Investment holding.
Subsidiary company of PanPages Online Sdn. Bhd.:-				
PanPages Media Sdn. Bhd.	Malaysia	100	100	Engaging in publishing business directory journals.
Subsidiary companies of PanPages Ltd.:-				
PanPages (Cambodia) Ltd.*	Cambodia	–	100	Investment holding.
PT PanPages>	Indonesia	–	100^	Dormant.
Subsidiary company of PanPages (Cambodia) Ltd.:-				
Cam YP Co. Ltd.>	Cambodia	–	100	Sale of advertising space, publication of telephone directories and the provision of electronic based information and related services.

* Not required to be audited in the country of incorporation. The Directors have consolidated the results of these subsidiary companies based on its management financial statements.

^ Included herein was a 1% equity interest held by CBSA International Sdn. Bhd.

> Not audited by Grant Thornton Malaysia PLT

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(i) Disposal of subsidiary companies

2020

On 2 March 2020, the Group entered into a sale and purchase agreement with a third party to dispose the following:-

(a) CBSA Bizhub Sdn. Bhd.'s 1 ordinary share in PanPages Ltd. representing 100% of the issued and paid up share capital of PanPages Ltd. together with PT PanPages, PanPages (Cambodia) Ltd. and Cam YP Co. Ltd. for a total cash consideration of RM1. PanPages Ltd. owned 99% of the issued and paid-up capital of PT PanPages and 100% of the issued and paid-up capital of PanPages (Cambodia) Ltd.. PanPages (Cambodia) Ltd. owned 100% of the issued and paid-up capital of Cam YP Co. Ltd. at the date of disposal;

(b) CBSA International Sdn. Bhd.'s 28,899 ordinary shares in PT PanPages representing 1% of the issued and paid up share capital of PT PanPages for a total cash consideration of RM1; and

(c) CBSA Bizhub Sdn. Bhd.'s 100 ordinary shares in CBSA Pancommerce Sdn. Bhd. representing 100% of the issued and paid-up capital of CBSA Pancommerce Sdn. Bhd. for a total cash consideration of RM1.

The effect of the disposal on the financial position of the Group as at the date of disposal is as follows:-

	RM
Property, plant and equipment	43,505
Trade receivables	122,088
Other receivables	80,467
Cash and bank balances	115,558
Deferred taxation	16,370
Other payables	(5,537,145)
Trade payables	(107,860)
Contract liabilities	(162,915)
Net liabilities	(5,429,932)
Reversal of foreign currency translation reserve	644,312
Gain on disposal	4,785,623
Proceeds from disposal	3
Less: Cash and cash equivalents disposed	(115,558)
Net cash outflows from disposal	(115,555)

2019

On 15 March 2019, the Company entered into a sale and purchase agreement with a third party to dispose its 2 ordinary shares in PanPages Lab Sdn. Bhd. representing 100% of the issued and paid up share capital of PanPages Lab Sdn. Bhd. together with PanPages (Thailand) Co. Ltd. for a total cash consideration of RM3,500,000. PanPages Lab Sdn. Bhd. owned 48% of the issued and paid-up capital of PanPages (Thailand) Co. Ltd. at the date of disposal, as a result of transferring the equity interest by CBSA International Sdn. Bhd. to PanPages Lab Sdn. Bhd. during the financial year.

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(i) Disposal of subsidiary companies (cont'd)

2019 (cont'd)

The effect of the disposal on the financial position of the Group as at the date of disposal is as follows:-

	RM
Property, plant and equipment	16,583
Intangible assets	206,899
Trade receivables	489,127
Other receivables	335,089
Cash and bank balances	364,535
Other payables	(3,581,649)
Trade payables	(179,331)
Contract liabilities	(146,409)
Tax recoverable	67,290
Net liabilities	(2,427,866)
Reversal of foreign currency translation reserve	143,617
Non-controlling interests	1,572,246
Gain on disposal	4,212,003
Proceeds from disposal	3,500,000
Less: Cash and cash equivalents disposed	(364,535)
Net cash inflows from disposal	3,135,465

(ii) Amount due from/to subsidiary companies

Company

	2020 RM	2019 RM
Amount due from subsidiary companies	31,235,518	32,123,952
Less: Impairment		
At 1 April	(29,156,715)	–
Recognised	(1,805,912)	(29,156,715)
At 31 March	(30,962,627)	(29,156,715)
	272,891	2,967,237

The amount due from/to subsidiary companies is non-trade in nature, unsecured, bears no interest and repayable on demand.

7. INVESTMENT IN AN ASSOCIATE COMPANY

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unquoted shares in G-Mart Borneo Retail Sdn. Bhd.:-				
At cost	–	10,750,000	–	10,750,000
Transfer to other investments	–	(10,750,000)	–	(10,750,000)
	–	–	–	–
Less: Impairment loss				
At 1 April	–	(366,625)	–	(366,625)
Transfer to other investments	–	366,625	–	366,625
At 31 March	–	–	–	–
	–	–	–	–

Loss of significant influence

In the previous financial year, the Company lost its significant influence over G-Mart Borneo Retail Sdn. Bhd.. Consequently, the investment was transferred to other investments and measured at FVOCI. There was no material difference between the fair value and the carrying amount of the investment at the date the equity method was discontinued.

8. GOODWILL ON CONSOLIDATION

Group

	2020 RM	2019 RM
At 1 April	–	7,571,155
Less: Impairment loss recognised during the financial year	–	(7,998,417)
Foreign currency translation differences	–	427,262
At 31 March	–	–

The recoverable amount of the CGU is determined based on value in use calculation using discounted cash flows projections based on financial budgets approved by the management covering a five-year period. The details on the growth rate and discount rate for the search and advertising CGU are disclosed in Note 5 to the Financial Statements.

9. OTHER INVESTMENTS

Group

	2020 RM	2019 RM
Current		
Financial assets at FVTPL:-		
- Investment in quoted money market funds	31,849	46,889
Non-current		
Financial assets at FVOCI:-		
- Investment in unquoted shares	9,432,787	9,826,502
Fair value of quoted investment (Level 1)	31,849	46,889
Fair value of unquoted investment (Level 3)	9,432,787	9,826,502

Company

	2020 RM	2019 RM
Current		
Financial assets at FVTPL:-		
- Investment in quoted money market funds	–	15,040
Non-current		
Financial assets at FVOCI:-		
- Investment in unquoted shares	9,432,787	9,826,502
Fair value of quoted investment (Level 1)	–	15,040
Fair value of unquoted investment (Level 3)	9,432,787	9,826,502

9. OTHER INVESTMENTS (CONT'D)

Details of the Level 3 fair value measured is as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationships of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities.	Fair value of individual assets and liabilities.	The higher the net assets, the higher the fair value.

Investment in unquoted shares designated at FVOCI

In the previous financial year, after losing significant influence over G-Mart Borneo Retail Sdn. Bhd. ("G-Mart"), the Group and the Company designated the investment in G-Mart as FVOCI because the Group and the Company intend to hold the investment for long-term strategic purposes.

10. DEFERRED TAX ASSETS

Group

	2020 RM	2019 RM
At 1 April	–	462,784
Transfer to profit or loss (Note 24)	–	(488,995)
Foreign currency translation differences	–	26,211
At 31 March	–	–

11. CONTRACT COSTS

Group

	2020 RM	2019 RM
Costs to fulfil:-		
- printed directories	360,233	457,173
- others	–	21,730
	360,233	478,903
Represented as:-		
- current	286,081	322,634
- non-current	74,152	156,269
	360,233	478,903

12. TRADE RECEIVABLES

Group

	2020 RM	2019 RM
Trade receivables	10,054,575	14,402,975
Less: Impairment loss		
At 1 April	(12,970,160)	(10,272,495)
Recognised	(1,936,606)	(2,586,745)
Reversal	2,133,953	–
Written off	3,520,200	–
Foreign currency translation differences	–	(110,920)
At 31 March	(9,252,613)	(12,970,160)
	801,962	1,432,815

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2019: 30 to 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The impairment loss on trade receivables was reversed during the financial year as a result of credit notes issued and receipts.

13. OTHER RECEIVABLES

Group

	2020 RM	2019 RM
Deposits	182,903	104,167
Prepayments	50,862	677,641
Non-trade receivables	48,965	73,004
GST receivable	73,860	67,643
	356,590	922,455

Company

	2020 RM	2019 RM
Deposits	21,850	1,850
Prepayments	20,735	566,455
GST receivable	31,003	31,003
	73,588	599,308

14. FIXED DEPOSITS WITH LICENSED BANKS

Group

Fixed deposits with licensed banks of RM21,301 (2019: RM21,301) are pledged as security for bank guarantee facilities granted to certain subsidiary companies.

Fixed deposits with a licensed bank of RM36,980 (2019: RM36,980) is not classified as a cash and cash equivalent as it has a maturity period of more than 3 months.

The effective interest rates for fixed deposits with licensed banks range from 2.70% to 3.50% (2019: 2% to 3.15%) per annum.

Company

Fixed deposits are placed with licensed banks. The interest rates are 2.70% to 3.50% (2019: Nil) per annum with maturity dates of 1 to 12 months (2019: Nil).

15. SHARE CAPITAL

Group and Company

	Number of ordinary shares		Amount	
	2020 Unit	2019 Unit	2020 RM	2019 RM
Issued and fully paid:-				
At 1 April	265,485,685	265,485,685	32,872,348	32,872,348
Issuance of new shares	53,097,137	–	13,274,284	–
At 31 March	318,582,822	265,485,685	46,146,632	32,872,348

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

16. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Group and Company

	Number of shares		Amount	
	2020 Unit	**2019 Unit**	**2020 RM**	**2019 RM**
Issued and fully paid:-				
At 1 April	–	–	–	–
Issuance of new shares	796,457,055	–	39,822,853	–
At 31 March	796,457,055	–	39,822,853	–

The salient terms of the ICPS are as follows:-

(a) The shares were issued at RM0.05 each and are convertible within 5 years commencing from the issue of the ICPS with conversion ratio and the conversion price determined as follows:-

(i) the conversion price for the ICPS to be converted into 1 new ordinary share of the Company at RM0.20 based on the conversion ratio; and
(ii) the conversion ratio of the ICPS for 1 new ordinary share of the Company is either by 4 ICPS to be converted into 1 ordinary share or a combination of 1 ICPS and RM0.15 in cash for 1 ordinary share.

(b) Any remaining ICPS that are not converted within 5 years commencing from the issuance of the ICPS shall be automatically converted into ordinary shares of the Company at the conversion ratio of 4 ICPS to be converted into 1 ordinary share.

(c) The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company.

(d) The ICPS holders are not entitled to any voting right and unless such holders convert their ICPS into new shares except for the following circumstances:-

(i) when the dividend or part of dividend on the ICPS is in arrears for more than 6 months; or
(ii) on a proposal to reduce the capital of the Company's shares; or
(iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking; or
(iv) on a proposal that directly affects the rights and privileges attached to the ICPS; or
(v) on a proposal to wind-up the Company; or
(vi) during the winding-up of the Company.

17. LEASE LIABILITIES

Group and Company

The Group and the Company have lease contracts for premises and motor vehicles. Generally, the Group and the Company are restricted from assigning and subleasing the leased assets. Extension and termination options on lease contracts are further discussed below. The Group and the Company also have certain leases of premises with lease terms of 12 months or less. The Group and the Company apply the "short-term lease" recognition exemptions for these leases.

Group

	2020 RM	2019 RM
Current	195,376	71,103
Non-current	663,584	78,477
	858,960	149,580

Set out below is the movement of lease liabilities during the financial year:-

	2020 RM
At end of previous financial year	149,580
Effect of adoption of MFRS 16	39,457
At 1 April	189,037
Additions	835,180
Lease interest	43,214
Payment for interest	(43,214)
Lease payments/cash outflows	(165,257)
At 31 March	858,960

The lease liabilities are secured by the related underlying assets.

17. LEASE LIABILITIES (CONT'D)

The table below describes the nature of the Group's leasing activity by type of right-of-use asset recognised in property, plant and equipment on the statements of financial position:-

Right-of-use assets	Range of remaining term	Number of leases with extension options	Number of leases with variable payment linked to an index	Number of leases with termination options
Motor vehicles	1 – 2 years	–	–	–
Premises	1 – 7 years	2	–	–

The maturity analysis of lease liabilities is disclosed in Note 29 to the Financial Statements.

The Group's effective interest rates range from 2.75% to 7.65% (2019: 2.60% to 3.34%) per annum.

18. CONTRACT LIABILITIES

Group

	2020 RM	2019 RM
Contract liabilities for:-		
- printed directories	771,345	1,474,610
- others	–	24,144
	771,345	1,498,754
Represented as:-		
- current	565,916	1,162,340
- non-current	205,429	336,414
	771,345	1,498,754

19. TRADE PAYABLES

Group

Trade payables are non-interest bearing and are generally on 30 to 60 days (2019: 30 to 60 days) term.

Included in trade payables is RM220,650 (2019: RM323,549) due to a company connected to a former Director of a subsidiary.

20. OTHER PAYABLES

Group

	2020 RM	2019 RM
Accrual of expenses	278,692	398,537
Non-trade payables	695,662	1,437,608
Deposit received	33,450	–
Service tax payable	64,789	–
	1,072,593	1,836,145

Included in non-trade payables is RM246,642 (2019: Nil) due to a Director of a subsidiary. The balance is unsecured, interest free and no scheme of repayment has been arranged.

Company

	2020 RM	2019 RM
Accrual of expenses	55,931	68,028
Non-trade payables	88,496	178,834
	144,427	246,862

21. BANK BORROWING

Group

	2020 RM	2019 RM
Current		
Bank overdraft	1,090,295	2,014,644

The bank borrowing is obtained by way of corporate guarantee issued by the Company.

The bank borrowing is obtained from a local bank and bears interest of 8.35% (2019: 8.35%) per annum.

22. REVENUE

22.1 Disaggregated revenue information

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Type of revenue				
Printed directories	1,703,613	5,227,756	–	–
Internet directories and third party online advertising services	2,701,549	803,380	–	–
Content databases	–	4,031,703	–	–
Software solutions and maintenance	24,144	349,606	–	–
Management fee	–	–	–	628,992
	4,429,306	10,412,445	–	628,992
Timing of revenue recognition				
Performance obligations satisfied at a point in time	2,701,549	4,835,083	–	628,992
Performance obligations satisfied over time	1,727,757	5,577,362	–	–
	4,429,306	10,412,445	–	628,992

Revenue by geographical location is disclosed in Note 28 to the Financial Statements.

22.2 Contract balances

Contract liabilities decreased in current financial year as there were less billings issued in excess of services performed in current financial year.

Revenue of RM852,083 (2019: RM3,235,798) was recognised during the financial year that was in the contract liabilities at the beginning of the financial year.

22. REVENUE (CONT'D)

22.3 Performance obligations

For printed directories, software solutions and maintenance, the performance obligations are satisfied over time. For internet directories, third-party advertising services, content databases and management fee, the performance obligations are satisfied at a point in time.

The payment terms for billings made are disclosed in Note 12 to the Financial Statements.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:-

	Group	
	2020 **RM**	**2019** **RM**
Printed directories	771,345	1,498,754

The remaining performance obligations were expected to be recognised within 1 to 3 years which is in accordance with the agreed time frames stated in the contracts signed with customers.

23. LOSS BEFORE TAX

Loss before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group		Company	
	2020 **RM**	**2019** **RM**	**2020** **RM**	**2019** **RM**
Auditors' remuneration				
- statutory audit	89,000	108,000	37,000	37,000
- non statutory audit	5,000	5,000	5,000	5,000
- other external auditors statutory audit	–	18,143	–	–
Realised gain on foreign exchange	(8,068)	(51,540)	–	–
Short term leases	567,616	–	138,624	–
Rental expenses:-				
- office	–	617,293	–	–
- storage	–	14,400	–	–

24. TAX (INCOME)/EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current year				
- Current tax	–	14,748	–	–
- Deferred tax	–	488,995	–	–
(Over)/under provision in prior years				
- Current tax	(23,449)	(10,283)	1,816	(12,240)
	(23,449)	493,460	1,816	(12,240)

Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated taxable profits for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Reconciliation of tax (income)/expenses applicable to loss before tax at the statutory tax rate to tax (income)/ expenses at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Loss before tax	(7,457,776)	(12,623,632)	(3,738,704)	(25,851,517)
At Malaysian statutory tax rate of 24% (2019: 24%)	(1,789,866)	(3,029,672)	(897,289)	(6,204,364)
Adjustments:-				
- Effect of tax rates differences in foreign jurisdictions	–	390,150	–	–
- Expenses not deductible for tax purposes	1,166,294	5,143,250	897,496	7,044,364
- Income not subject to tax	(700,028)	(2,989,985)	(207)	(840,000)
- Movement in deferred tax assets not recognised	1,323,600	990,000	–	–
- (Over)/under provision in prior years	(23,449)	(10,283)	1,816	(12,240)
	(23,449)	493,460	1,816	(12,240)

24. TAX (INCOME)/EXPENSE (CONT'D)

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Property, plant and equipment	(18,000)	(312,000)	–	–
Unabsorbed tax losses	26,959,000	21,676,000	–	–
Unutilised capital allowances	182,000	244,000	–	–
	27,123,000	21,608,000	–	–

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that sufficient taxable profits will be available in which the respective subsidiary companies can utilise those benefits in near future.

The unabsorbed tax losses and unutilised capital allowances of the Group can be carried forward to offset against future taxable profit of the Group. The unabsorbed tax losses can be carried forward for up to seven years of assessment from the year of assessment in which they arose.

25. LOSSES PER SHARE

Group

Basic losses per ordinary share

Basic losses per ordinary share are calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2020 RM	2019 RM
Loss attributable to ordinary equity holders of the Company	(7,434,327)	(13,072,016)

	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	291,889,179	265,485,685
Basic losses per ordinary share (sen)	(2.55)	(4.92)

Diluted losses per ordinary share

Diluted losses per ordinary share is not applicable for the current financial year as the unexercised share options and warrants were anti-dilutive in nature, this is due to the average market share price of the Company being below the exercise price of share options and warrants.

26. EMPLOYEE BENEFITS EXPENSE

The details of Directors' remuneration of the Group and of the Company are as follows:-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Directors' remuneration				
Executive Directors:-				
Directors of the Company				
Salaries and other emoluments	180,000	272,333	180,000	272,333
Defined contribution plan	18,000	33,225	18,000	33,225
Social security contributions	1,946	1,693	1,946	1,693
	199,946	307,251	199,946	307,251
Directors of subsidiary companies				
Salaries and other emoluments	204,000	528,828	–	–
Defined contribution plan	101,736	75,960	–	–
	305,736	604,788	–	–
Total Executive Directors' remuneration	505,682	912,039	199,946	307,251
Non-executive Directors:-				
Fee	157,500	111,000	157,500	111,000
Total Directors' remuneration	663,182	1,023,039	357,446	418,251
Employee remuneration				
Salaries, allowances and bonuses	1,293,826	1,859,905	302,038	116,216
Defined contribution plans	205,130	247,419	36,466	17,880
Social security contributions	19,257	22,771	2,504	1,003
Reversal of share-based payment under ESOS	(1,408)	(10,207)	(1,408)	(10,207)
Other staff related expenses	466,700	439,311	111,536	43,149
	1,983,505	2,559,199	451,136	168,041
Total staff costs incurred during the financial year	2,646,687	3,582,238	808,582	586,292
Add: Staff costs charged out from contract costs	96,940	652,463	–	–
	2,743,627	4,234,701	808,582	586,292

26. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Employee share option scheme ("ESOS")

On 23 May 2011, Bursa Malaysia Securities Berhad approved the Company's new ESOS. The ESOS had an initial tenure of five (5) years from the date of the launch or implementation of the scheme which shall expire on 3 July 2016. On 1 July 2016, the Company extended the ESOS for another five (5) years until 3 July 2021 in accordance with the terms of the ESOS By-Laws.

The main features of the ESOS are as follows:-

(i) an eligible person for the ESOS is (i) an employee whose employment has been confirmed in writing; or (ii) an employee who have served the Group for a continuous period of at least 12 full months where he or she is employed by the Group on a contract basis; or (iii) a Director who is duly elected as a member of the Board of Directors of the companies within the Group.

(ii) the aggregate number of shares to be offered shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any point of time during the existence of the ESOS.

(iii) not more than 50% of the ESOS shares shall be allocated, in aggregate to the Directors and senior management of the Group; not more than 10% of the ESOS share shall be allocated to any eligible person who either singly or collectively, through persons connected to him/her, holds 20% or more in the issued and paid-up capital (excluding treasury shares) of the Company.

(iv) the option price for the new shares under the ESOS shall be the higher of (i) the weighted average market price of the shares for the 5 market days immediately preceding the date of offer, subject to a discount of not more than 10%; or (ii) the par value of the shares.

(v) the ESOS shall be in force for a period of five (5) years from the effective date for the implementation of the ESOS and renewable for a further five (5) years (subject to the approval of the Board).

(vi) the option granted to an employee under the ESOS is exercisable only during his/her employment with the Group and within the exercisable period. The option granted is non assignable or transferable.

A summary of the movements in the number of ESOS and the weighted average exercise prices ("WAEP") is as follows:-

	2020		2019	
	Number of share options	WAEP RM	Number of share options	WAEP RM
At 1 April	684,200	0.35	787,200	0.35
Retracted*	(10,200)	0.35	(103,000)	0.35
At 31 March	674,000	0.35	684,200	0.35

* Due to resignations

26. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Employee share option scheme ("ESOS") (cont'd)

The options outstanding as at 31 March 2020 have an exercise price of RM0.35 (2019: RM0.35) and a weighted average contractual life of 1.3 years (2019: 2.3 years).

The fair value of scheme options granted was estimated using a Binomial Model, taking into account the terms and conditions upon which the options were granted. The fair values of share options measured at various grant dates and the assumptions are as follows:-

Fair values of share option (RM)	0.05 - 0.14
Weighted average share price (RM)	0.355
Weighted average exercise price (RM)	0.35
Expected volatility (%)	37.8%
Risk free rate (%)	3.57%

27. RELATED PARTY DISCLOSURES

27.1 Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are as follows:-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Management fee charged to subsidiary companies	–	–	–	628,992
Rental paid to a company in which a Director of a subsidiary has interest	258,000	550,500	–	–
Cost charged by a company in which a former Director of a subsidiary has interest	261,579	268,492	–	–

During the financial year, the Company disposed a motor vehicle to its subsidiary company at zero proceeds.

The Directors of the Company are of the opinion that the above transactions were entered into in the normal course of business and have been established under negotiated terms.

27. RELATED PARTY DISCLOSURES (CONT'D)

27.2 Compensation of key management personnel

The Group and the Company have no other key management personnel apart from the Directors. The Directors' remuneration is disclosed in Note 26 to the Financial Statements.

27.3 Related party balances

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6, 19 and 20 to the Financial Statements.

28. OPERATING SEGMENTS

Business segments

For the management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

i)	Information technology	:	Development and provision of software solutions/ applications
ii)	Search and advertising	:	Developer and provider of online presence and advertising solutions and operator of search platforms; publishing business directory journals, content development and database marketing
iii)	Others	:	Investment holding and other dormant companies

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on negotiated basis.

28. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Group

2020

	Note	Information technology RM	Search and advertising RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
Revenue:						
External revenue	(i)	24,144	4,405,162	–	–	4,429,306
Results:						
Interest income		1,017	2,199	630,972	–	634,188
Finance costs		–	(158,686)	(3,006)	–	(161,692)
Depreciation		(34,328)	(304,927)	(86,869)	–	(426,124)
Tax income/(expense)		–	25,265	(1,816)	–	23,449
Other non-cash expenses	(ii)	28,331	(5,177,689)	(554,026)	–	(5,703,384)
Segment loss	(iii)	(96,637)	(5,340,341)	(3,722,231)	1,724,882	(7,434,327)
Assets:						
Additions to non-current assets other than financial instruments	(iv)	400,000	985,206	1,139,699	–	2,524,905
Segment assets	(v)	7,109,462	2,358,479	67,955,765	(11,897,972)	65,525,734
Liabilities:						
Segment liabilities	(vi)	819,720	41,237,707	188,226	(38,047,581)	4,198,072

28. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Group

2019

	Note	Information technology RM	Search and advertising RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
Revenue:						
External revenue	(i)	349,606	10,062,839	–	–	10,412,445
Inter-segment revenue		–	–	628,992	(628,992)	–
		349,606	10,062,839	628,992	(628,992)	10,412,445
Results:						
Interest income		641	14,439	560	–	15,640
Finance costs		–	(223,976)	–	–	(223,976)
Depreciation and amortisation		(14,097)	(1,013,024)	(1,105)	–	(1,028,226)
Tax (expense)/income		(406)	(505,294)	12,240	–	(493,460)
Share of associate company's results		–	–	687,517	–	687,517
Other non-cash expenses	(ii)	–	(18,440,853)	4,222,210	–	(14,218,643)
Segment loss	(iii)	2,863,235	(18,356,389)	(25,179,798)	27,555,860	(13,117,092)
Assets:						
Additions to non-current assets other than financial instruments	(iv)	–	116,615	8,830	–	125,445
Segment assets	(v)	6,755,867	4,232,486	18,151,067	(6,092,745)	23,046,675
Liabilities:						
Segment liabilities	(vi)	369,488	44,419,513	262,295	(38,992,276)	6,059,020

28. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other material non-cash (expenses)/income consist of the following items:-

	2020 RM	2019 RM
Bad debts written off	(5,074,217)	(3,459,414)
Impairment loss on intangible assets	(5,000,000)	(5,000,000)
Impairment loss on trade receivables	(1,936,606)	(2,586,745)
Impairment loss on goodwill	–	(7,998,417)
Other investment written off	–	(55,000)
Property, plant and equipment written off	(734,670)	(10,046)
Intangible assets written off	(30,000)	–
Gain on disposal of property, plant and equipment	151,150	75,775
Gain on disposal of subsidiary companies	4,785,623	4,212,003
Reversal of impairment loss on trade receivables	2,133,953	–
Reversal of share-based payment under ESOS	1,408	10,207
Unrealised (loss)/gain on foreign exchange	(25)	592,994
	(5,703,384)	(14,218,643)

(iii) The following items are eliminated from segment loss to arrive at "Loss for the financial year" presented in the consolidated statement of profit or loss and other comprehensive income:-

	2020 RM	2019 RM
Impairment loss on inter-segment balances	1,794,230	29,212,835
Reversal of impairment loss on inter-segment balances	(69,348)	(1,656,975)
	1,724,882	27,555,860

28. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

(iv) Additions to non-current assets consist of:-

	2020 RM	2019 RM
Property, plant and equipment	2,524,905	95,445
Intangible assets	–	30,000
	2,524,905	125,445

(v) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2020 RM	2019 RM
Inter-segment investment in subsidiary	(5,066,135)	(3,066,135)
Inter-segment balances	(6,831,837)	(3,026,610)
	(11,897,972)	(6,092,745)

(vi) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2020 RM	2019 RM
Inter-segment balances	(38,047,581)	(38,992,276)

28. OPERATING SEGMENTS (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

Group

	Revenue		Non-current assets	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Malaysia	3,597,078	4,602,175	1,743,074	5,678,491
Thailand	–	306,350	–	–
Cambodia	832,228	1,472,217	–	51,511
Ireland	–	3,569,779	–	–
Singapore	–	461,924	–	–
	4,429,306	10,412,445	1,743,074	5,730,002

Non-current assets information presented above consist of the following items as presented in the consolidated statements of financial position:-

	2020	**2019**
	RM	**RM**
Property, plant and equipment	1,668,922	543,733
Intangible assets	–	5,030,000
Contract costs	74,152	156,269
	1,743,074	5,730,002

Information about a major customer

Revenue from 1 (2019: 2) major customers amounted to RM1,629,126 (2019: RM3,568,645), arising from the search and advertising segment.

29. FINANCIAL INSTRUMENTS

29.1 Categories of financial instruments

The table below provides an analysis of financial assets categorised as follows:-

	Amortised cost RM	FVOCI RM	FVTPL RM
Group			
2020			
Financial assets			
Other investments	–	9,432,787	31,849
Trade receivables	801,962	–	–
Other receivables	231,868	–	–
Fixed deposits with licensed banks	30,282,500	–	–
Cash and bank balances	22,581,715	–	–
	53,898,045	9,432,787	31,849
2019			
Financial assets			
Other investments	–	9,826,502	46,889
Trade receivables	1,432,815	–	–
Other receivables	177,171	–	–
Fixed deposits with licensed banks	58,281	–	–
Cash and bank balances	4,502,444	–	–
	6,170,711	9,826,502	46,889
Company			
2020			
Financial assets			
Other investments	–	9,432,787	–
Other receivables	21,850	–	–
Amount due from subsidiary companies	272,891	–	–
Fixed deposits	30,224,219	–	–
Cash and bank balances	22,285,998	–	–
	52,804,958	9,432,787	–
2019			
Financial assets			
Other investments	–	9,826,502	15,040
Other receivables	1,850	–	–
Amount due from subsidiary companies	2,967,237	–	–
Cash and bank balances	1,567,867	–	–
	4,536,954	9,826,502	15,040

At the reporting date and all years presented, the Group and the Company carry only financial liabilities measured at amortised cost on their statements of financial position.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing their risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade receivables. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

Following are the areas where the Group are exposed to credit risk:-

i. Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Generally, trade receivables are written-off if the Directors deem them uncollectable. Collateral is considered integral part of trade receivables and considered in the calculation of impairment. At the reporting date, none of the Group's trade receivables are covered by collateral.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Following are the areas where the Group are exposed to credit risk (cont'd):-

i. Receivables (cont'd)

The following table provides information about the exposure to credit risk on trade receivables as at the reporting date:-

Group

	Expected credit loss rate %	Total gross carrying amount RM	Expected credit loss RM
2020			
Not past due	3.27	53,295	1,742
Past due 1 to 30 days	4.18	212,897	8,889
Past due 31 to 60 days	5.88	3,180	187
Past due 61 to 90 days	7.13	26,027	1,855
Past due more than 90 days	12.66	594,484	75,248
Credit impaired	100	9,164,692	9,164,692
		10,054,575	9,252,613
2019			
Not past due	–	414,309	–
Past due 1 to 30 days	–	98,424	–
Past due 31 to 60 days	–	9,963	–
Past due 61 to 90 days	–	19,598	–
Past due more than 90 days	–	890,521	–
Credit impaired	100	12,970,160	12,970,160
		14,402,975	12,970,160

Trade receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant difficulties and have defaulted on payments.

The net carrying amount of receivables is considered a reasonable approximate of fair value.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Following are the areas where the Group are exposed to credit risk (cont'd):-

ii. Investments

At the end of the reporting year, the Group and the Company have only invested in domestic securities. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group and the Company.

In the view of sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

iii. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM1,090,295 (2019: RM2,014,644), represented by the outstanding banking facilities of a subsidiary company at the end of the reporting year.

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to a subsidiary company. The Company monitors on an on-going basis the results of the subsidiary company and repayments made by the subsidiary company. At the end of the reporting year, there was no indication that the subsidiary company would default on repayment.

iv. Intercompany advances

The Company provides unsecured advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

As at the end of the reporting year, management is of the view that the net carrying amount of amount due from subsidiary companies is recoverable.

The maximum exposure to credit risk is represented by their carrying amounts of each class of financial assets.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk that arises principally from its various payables and borrowing, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

As at the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Group's non-derivative financial liabilities are summarised below:-

			Maturity		
	Carrying amount RM	**Contractual cash flows RM**	**Less than 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**
Group					
2020					
Secured:					
Lease liabilities	858,960	998,544	237,299	581,245	180,000
Unsecured:					
Bank borrowing	1,090,295	1,090,295	1,090,295	–	–
Trade payables	404,668	404,668	404,668	–	–
Other payables	1,007,804	1,007,804	1,007,804	–	–
	2,502,767	2,502,767	2,502,767	–	–
Total	3,361,727	3,501,311	2,740,066	581,245	180,000
2019					
Secured:					
Lease liabilities	149,580	156,582	85,372	71,210	–
Unsecured:					
Bank borrowing	2,014,644	2,014,644	2,014,644	–	–
Trade payables	559,897	559,897	559,897	–	–
Other payables	1,836,145	1,836,145	1,836,145	–	–
	4,410,686	4,410,686	4,410,686	–	–
Total	4,560,266	4,567,268	4,496,058	71,210	–

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

Company

At the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Company's non-derivative financial liabilities is less than one year.

The contractual cash flows of the Company relating to financial guarantees to a subsidiary company at the reporting date was RM1,090,295 (2019: RM2,014,644).

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:-

	2020 RM	2019 RM
Group		
Fixed rate instruments		
Fixed deposits with licensed banks	30,282,500	58,281
Lease liabilities	(858,960)	(149,580)
	29,423,540	(91,299)
Floating rate instrument		
Bank borrowing	(1,090,295)	(2,014,644)
Company		
Fixed rate instruments		
Fixed deposits with licensed banks	30,224,219	–

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group's and the Company's exposure to changes in cash flows due to interest rate risk is minimal as at the end of the reporting year.

29.3 Fair value of financial instruments

The carrying amounts of receivables and payables, cash and cash equivalents and bank borrowings approximate their fair value due to the relatively short term nature of these financial instruments or that they are floating rate instruments that are pre-priced to market interest rates on or near the reporting date or insignificant impact of discounting.

The fair value of financial assets at FVTPL and FVOCI are detailed as below.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 Fair value of financial instruments (cont'd)

Fair value hierarchy

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2020				
Investments in quoted money market funds - FVTPL	31,849	–	–	31,849
Investment in unquoted shares - FVOCI	–	–	9,432,787	9,432,787
2019				
Investments in quoted money market funds - FVTPL	46,889	–	–	46,889
Investment in unquoted shares - FVOCI	–	–	9,826,502	9,826,502
Company				
2020				
Investment in unquoted equities - FVOCI	–	–	9,432,787	9,432,787
2019				
Investments in quoted money market funds - FVTPL	15,040	–	–	15,040
Investment in unquoted equities - FVOCI	–	–	9,826,502	9,826,502

There were no transfers between fair value hierarchies during the financial year.

30. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares), the Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial year.

31. SIGNIFICANT AND SUBSEQUENT EVENTS DURING AND AFTER THE FINANCIAL YEAR

(i) The recent outbreak of the Coronavirus Disease 2019 ("COVID-19") was declared a pandemic on 11 March 2020. A series of precautionary and control measures have been and continue to be implemented across the world. The Malaysian Government ("Government") imposed the Movement Control Order ("MCO") from 18 March 2020 to 3 May 2020 and significantly relaxed the MCO into the Conditional Movement Control Order ("CMCO") from 4 May 2020 to 9 June 2020, which effectively opened up almost all economic sectors and businesses including the Company's business and operations. From 10 June 2020, the CMCO was further relaxed into the Recovery Movement Control Order ("RMCO").

Malaysia is now towards the end of the recovery phase. As a result, from 4 May 2020, the Company was able to fully resume operations. Throughout the MCO, the Company was able to operate remotely through alternative working arrangements. At the date of issuance of the financial statements, the Directors have assessed the overall impact of the situation and there are no material adverse effects on the financial statements for the financial year ended 31 March 2020.

While the Directors expect a decline in operations in the coming months in line with the quarantine measures and travel restrictions, given the dynamic nature of these circumstances, the Company has not formally determined the financial impact of these events on the results of operations, cash flows and financial position for the upcoming financial year. The Directors will continue to monitor closely the global developments of COVID-19 and respond accordingly.

(ii) On 24 July 2020, the shareholders of the Company had at an Extraordinary General Meeting, approved the following:-

(a) Proposed diversification of the existing business of the Company and its subsidiaries to include money lending business; and

(b) Proposed variation to the utilisation of proceeds raised from the Rights Issue of Shares with Warrants and the Rights Issued of Irredeemable Convertible Preference Shares undertaken by the Company.

31. SIGNIFICANT AND SUBSEQUENT EVENTS DURING AND AFTER THE FINANCIAL YEAR (CONT'D)

(iii) On 28 July 2020, the Company entered into a Share Sale Agreement ("SSA") with Hong Seng Motor Sdn. Bhd., Hong Seng Assembly Sdn. Bhd., HS Hanvan Commercial Vehicles Sdn. Bhd. and HS Hohan Commercial Vehicles Sdn. Bhd. (collectively the "Vendors") to acquire from vendors, 2,000,000 ordinary shares in IHP Priority Management Sdn. Bhd. ("IPMSB") representing the entire equity interest in IPMSB for a total consideration of RM420,621. To-date, the transaction has been completed.

(iv) On 5 August 2020, the Company issued a Letter of Intent ("LOI") to eMedAsia Sdn. Bhd. ("eMedAsia") to invest a total of RM2 million for a 20% stake in ("eMedAsia") and to be eMedAsia's exclusive fourth party logistics service provider. On 12 August 2020, the Company and eMedAsia agreed that the Company's rights, duties and obligations as provided in the LOI is granted and assigned to its 51% owned subsidiary HS Bio Supplies Sdn. Bhd. (formerly known as HC MSC Sdn. Bhd. and formerly known as CBSA MSC Sdn. Bhd.).

(v) On 7 August 2020, the Company incorporated a new wholly-owned subsidiary named Hong Seng Gloves Sdn. Bhd. for cash consideration of RM100 comprising 100 ordinary shares.

(vi) On 11 August 2020, the Company entered into a SSA with a company in which certain Directors have interests to dispose 49,000 ordinary shares in HS Bio Supplies Sdn. Bhd. (formerly known as HC MSC Sdn. Bhd. and formerly known as CBSA MSC Sdn. Bhd.) representing 49% of its issued and paid up share capital for a cash consideration of RM1. To-date, the transaction has yet to be completed.

ANALYSIS OF SHAREHOLDINGS
AS AT 7 AUGUST 2020

Issued Shares : 502,502,722 ordinary shares
Class of Shares : Ordinary Shares
Voting Rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	%	No. of Shares	%
1 - 99	143	7.90	6,037	0.00
100 - 1000	156	8.62	84,627	0.02
1,001 - 10,000	688	38.03	4,077,375	0.81
10,001 - 100,000	666	36.82	23,481,325	4.67
100,001 to less than 5% of the issued shares	151	8.35	250,414,558	49.83
5% and above the issued shares	5	0.28	224,438,800	44.67
Total	**1,809**	**100.00**	**502,502,722**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders' Shareholdings as at 7 August 2020)

Name of Shareholders	Direct Interest No. of Shares held	%	Indirect Interest No. of Shares held	%
Hong Seng Assembly Sdn. Bhd.	95,207,300	18.95	–	–
Dato' Teoh Hai Hin	–	–	95,207,300*	18.95*
Teoh Hai Seng	–	–	95,207,300*	18.95*
Teoh Hai Bim	–	–	95,207,300*	18.95*
Teoh Hai Peng	–	–	95,207,300*	18.95*
Radiance Dynasty Sdn. Bhd.	40,309,300	8.02	–	–
Lim Peng Tong	–	–	40,309,300**	8.02**
Pentagon Parade Sdn. Bhd.	52,633,000	10.47	–	–
Goh Eugene	–	–	52,633,000***	10.47***
Master Knowledge Sdn. Bhd.	32,955,200	6.56	–	–
Choo Peng Hung	–	–	32,955,200****	6.56****
Yong Mong Huay	50,000,000	9.95	–	–

* Deemed interested by virtue of their interest in Hong Seng Assembly Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

** Deemed interested by virtue of his interests in Radiance Dynasty pursuant to Section 8 of the Companies Act 2016.

*** Deemed interested by virtue of his interest in Pentagon Parade Sdn Bhd. pursuant to Section 8 of the Companies Act 2016.

**** Deemed interested by virtue of his interest in Master Knowledge Sdn Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

(As per the Register of Directors' Shareholdings as at 7 August 2020)

Name of Directors	Direct Interest No. of Shares held	%	Indirect Interest No. of Shares held	%
Dato' Teoh Hai Hin	–	–	95,207,300*	18.95*
Lim Peng Tong	–	–	40,309,300**	8.02**
Lau Kok Fui	1,276,400	0.25	218,900***	0.04***

* Deemed interested by virtue of his interest in Hong Seng Assembly Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

** Deemed interested by virtue of his interest in Radiance Dynasty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

*** Deemed interested by virtue of his spouse's interest pursuant to Section 59 of the Companies Act 2016.

30 LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shares held	%
1	GRANDSTEAD SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HONG SENG ASSEMBLY SDN BHD*	95,207,300	18.95
2	VALHALLA CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RADIANCE DYNASTY SDN BHD*	40,309,300	8.02
3	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR MASTER KNOWLEDGE SDN BHD*	32,955,200	6.56
4	MMAG CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PENTAGON PARADE SDN BHD*	29,300,000	5.83
5	MMAG CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YONG MONG HUAY*	26,667,000	5.31
6	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHEOK KUANG YI*	24,500,000	4.88
7	GRANDSTEAD SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PENTAGON PARADE SDN BHD*	23,333,000	4.64
8	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YONG MONG HUAY*	23,333,000	4.64
9	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHONG SWEE*	16,454,100	3.27
10	CHIN BOON LONG	15,800,000	3.14
11	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KON TEK YOONG*	14,861,700	2.96
12	GRANDSTEAD SDN BHD	12,500,000	2.49
13	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHIN LOY SHIN*	10,332,700	2.06
14	BENCHMARK VISTA SDN BHD	9,514,000	1.89
15	GRANDSTEAD SDN BHD *PLEDGED SECURITIES ACCOUNT FOR FOUNTAINBERRY SDN BHD*	9,500,000	1.89

ANALYSIS OF SHAREHOLDINGS

(cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shares held	%
16	GRANDSTEAD SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SUMMIT SYNERGY LIMITED*	8,000,000	1.59
17	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SIN CHIN CHAI*	7,500,000	1.49
18	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOH LEE YIN*	7,500,000	1.49
19	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT*	7,000,000	1.39
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING*	5,030,040	1.00
21	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN KAY YEN*	3,852,400	0.77
22	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ENG MOK HOCK (08E00033Q-008)*	3,404,900	0.68
23	CHONG TONG SIEW	2,460,000	0.49
24	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOO SWEE WENG*	2,429,900	0.48
25	YUEN THUI YANG	2,005,000	0.40
26	CHONG SIEW THIAM	1,950,300	0.39
27	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	1,536,400	0.31
28	LAU KOK FUI	1,276,400	0.25
29	GRANDSTEAD SDN BHD	1,262,900	0.25
30	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEONG SENG WUI*	1,200,000	0.24
	TOTAL	**440,975,540**	**87.76**

ANALYSIS OF WARRANTHOLDINGS
AS AT 7 AUGUST 2020

No. of 2019/2024 Warrants Issued	:	159,291,411 Warrants
No. of 2019/2024 Warrants Outstanding	:	159,291,411 Warrants

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Holders	%	No. of holdings	%
1 - 99	5	2.58	134	0.00
100 - 1000	21	10.82	10,697	0.01
1,001 - 10,000	64	32.99	369,750	0.23
10,001 - 100,000	76	39.18	2,886,250	1.81
100,001 to less than 5% of the issued warrants	24	12.37	25,979,980	16.31
5% and above the issued warrants	4	2.06	130,044,600	81.64
Total	**194**	**100.00**	**159,291,411**	**100.00**

30 LARGEST SECURITIES ACCOUNT HOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Holders	No. of Holdings	%
1	GRANDSTEAD SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LANDASAN SIMFONI SDN BHD*	75,168,000	47.19
2	CHIN BOON LONG	29,150,900	18.30
3	GRANDSTEAD SDN BHD	15,072,200	9.46
4	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOH LEE YIN*	10,653,500	6.69
5	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KON TEK YOONG*	7,000,000	4.39
6	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHONG SWEE*	6,633,900	4.16
7	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR MASTER KNOWLEDGE SDN BHD*	3,000,000	1.88
8	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHING HAN (CCTS)*	1,500,000	0.94
9	TWINSTAR CENTURY SDN BHD	1,458,000	0.92
10	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEONG SENG WUI*	868,500	0.55
11	LEE YOK MOI	830,000	0.52
12	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)*	700,000	0.44
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG*	548,760	0.34
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING*	500,020	0.31
15	LOH CHUN SEAN	422,400	0.27

ANALYSIS OF WARRANTHOLDINGS

(cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Holders	No. of Holdings	%
16	WONG MING CHOO	300,000	0.19
17	CHONG WAH CHAI	245,000	0.15
18	KENANGA NOMINEES (TEMPATAN) SDN BHD *PANG MEI CHEA @ SEE KIEW*	240,000	0.15
19	SIA YEE YU	240,000	0.15
20	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SALBIAH BINTI SHUIB (MM0641)*	200,000	0.13
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIAN SHEARMAN (MY2583)*	200,000	0.13
22	KELVIN SIOW WAI KEAT	200,000	0.13
23	LIAN SHEARMAN	200,000	0.13
24	HLB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUT FOR LEE CHIAH CHEANG*	180,000	0.11
25	LEE KOK HOONG	143,100	0.09
26	SIA YEE YU	142,000	0.09
27	EMILY TEO	115,900	0.07
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD *CHIN KOK WOO*	112,400	0.07
29	AFFIN HWANG INVESTMENT BANK BERHAD *PDT (068-CKH) CHOONG KWEE HUAT*	100,000	0.06
30	CHOK MOOI CHIN	100,000	0.06
	TOTAL	**156,224,580**	**98.07**

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHAREHOLDINGS

AS AT 7 AUGUST 2020

Class of Shares	:	Irredeemable Convertible Preference Shares ("ICPS")
No. ICPS Issued	:	796,457,055 ICPS
No. of ICPS Outstanding	:	612,537,155 ICPS
Voting Rights	:	The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company until and unless such holders convert their ICPS into new ordinary shares except in the following circumstances:

(a) when the dividends or part of the dividends are declared on the ICPS are in arrears for more than 6 months;
(b) on a proposal to reduce the Company's share capital;
(c) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;
(d) on a proposal that directly affects their rights and privileges attached to the ICPS;
(e) on a proposal to wind-up the Company; and
(f) during the winding-up of the Company.

Where the ICPS holders are entitled to vote at any general meeting under the circumstances indicated above, every 4 ICPS shall on a poll, carry 1 vote for each ordinary share into which the ICPS are convertible, and every ordinary share shall, notwithstanding any other provision of the Constitution, carry 1 vote for each such share

DISTRIBUTION OF ICPS HOLDINGS

Size of ICPS holdings	No. of Holders	%	No. of holdings	%
1 - 99	1	0.78	30	0.00
100 - 1000	4	3.15	1,675	0.00
1,001 - 10,000	20	15.75	118,300	0.02
10,001 - 100,000	50	39.37	2,233,350	0.36
100,001 to less than 5% of the issued ICPS	47	37.01	153,295,100	25.03
5% and above the issued ICPS	5	3.94	456,888,700	74.59
Total	**127**	**100.00**	**612,537,155**	**100.00**

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHAREHOLDINGS

(cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Holders	No. of Holdings	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHAN SWEE YING*	183,316,000	29.93
2	VALHALLA CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YONG MONG HUAY*	122,872,700	20.06
3	TWINSTAR CENTURY SDN BHD	76,000,000	12.41
4	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR MMAG HOLDINGS BERHAD*	40,000,000	6.53
5	MMAG CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PENTAGON PARADE SDN BHD*	34,700,000	5.66
6	MMAG CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YONG MONG HUAY*	30,001,000	4.90
7	CHIN BOON LONG	29,301,600	4.78
8	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KON TEK YOONG*	21,896,500	3.57
9	GRANSTEAD SDN BHD	18,227,700	2.98
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING*	10,829,500	1.77
11	PENTAGON PARADE SDN BHD	7,811,300	1.28
12	GRANDSTEAD SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PENTAGON PARADE SDN BHD*	6,667,000	1.09
13	TOTAL SEJATI SDN BHD	4,151,200	0.68
14	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHONG SWEE*	4,000,000	0.65
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG*	2,743,800	0.45
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)*	1,875,000	0.31
17	TOTAL SEJATI SDN BHD	1,669,700	0.27
18	KENANGA NOMINEES (TEMPATAN) SDN BHD *PANG MEI CHEA @ SEE KIEW*	1,200,000	0.20
19	LEE KOK HOONG	1,200,000	0.20
20	NG WOOI YING	960,000	0.16
21	HLB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE CHIAH CHEANG*	900,000	0.15
22	CHANG YEW KWONG	800,000	0.13
23	CHANG YEW KWONG	750,000	0.12
24	LOW LAY PING	640,000	0.10
25	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT*	610,000	0.10
26	TEH SWEE HENG	570,000	0.09
27	WONG MING CHOO	550,000	0.09
28	ACE PRIVATE EQUITY SDN BHD	490,000	0.08
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD *CHIN KOK WOO*	420,000	0.07
30	LYE LOI KENG	400,000	0.07
	TOTAL	**605,553,000**	**98.88**

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Company will be held at Greens II, Main Wing, Level 1, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 September 2020 at 2.00 p.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 and the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees to the Non-Executive Directors of up to an amount of RM240,000 for their services from 30 September 2020 until the next annual general meeting of the Company. ***Ordinary Resolution 1***

3. To re-elect the following Directors, who retire pursuant to the Company's Constitution:-

   (i) Mr. Wong Mun Wai (Article 107(1)(b)) ***Ordinary Resolution 2***
   (ii) Mr. Ng Keok Chai (Article 100) ***Ordinary Resolution 3***
   (iii) Dato' Teoh Hai Hin (Article 100) ***Ordinary Resolution 4***
   (iv) Ms Teoh Soon Han (Article 100) ***Ordinary Resolution 5***

4. To appoint Grant Thornton Malaysia PLT as Auditors of the Company and authorise the Directors to determine their remuneration. ***Ordinary Resolution 6***

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

   (A) ORDINARY RESOLUTION - AUTHORITY TO ALLOT SHARES

   "**THAT** subject always to the Companies Act 2016 ("**Act**") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to the Act, to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 20% of the total number of issued shares of the Company for the time being." ***Ordinary Resolution 7***

   (B) SPECIAL RESOLUTION 1 - PROPOSED CHANGE OF NAME OF THE COMPANY

   "**THAT** the name of the Company be and is hereby changed from "MSCM Holdings Berhad" to "Hong Seng Consolidated Berhad" with effect from the date of the notice of registration of new name issued by the Companies Commission of Malaysia and that the name of the Company wherever it appears in the Company's Constitution be and is hereby amended accordingly. ***Special Resolution 1***

   AND THAT the Directors of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the change of name."

(C) SPECIAL RESOLUTION 2 - PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"**THAT** the amendments to the Constitution of the Company in the manner detailed in 'Appendix A' to the Annual Report 2020 be and are hereby approved." ***Special Resolution 2***

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

BY ORDER OF THE BOARD

SEOW FEI SAN (SSM Practising Certificate No. 201908002299)
MOK MEE KEE (SSM Practising Certificate No. 201908002288)
Secretaries

Petaling Jaya
28 August 2020

Notes:

1. Proxy

1.1 Only depositors whose names appear in the Record of Depositors as at 22 September 2020 shall be regarded as members and entitled to attend, speak and vote at the meeting.

1.2 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any persons to be his proxy.

1.3 A member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

1.4 Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

1.5 Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

1.6 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

1.7 The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.

Notes (cont'd):

2. Audited Financial Statemenets for the Financial Year Ended 31 March 2020

*The shareholders' approval on the Audited Financial Statements are not required pursuant to the provisions of Section 340(1) of the Companies Act 2016 ("**Act**"), hence, the matter will not be put for voting.*

3. Ordinary Resolution 1: Directors' fees and benefits payable to the Non-Executive Directors

*Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Nineteenth Annual General Meeting ("**19th AGM**") for payment of Directors' fees.*

*The Directors' fees payable to the Non-Executive Directors from 30 September 2020 until the conclusion of the next AGM ("**Mandate Period**") is estimated not to exceed RM240,000. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' fees is insufficient due to an increase in Board size.*

The Proposed Payment of Directors' Fees, if approved by the shareholders, will empower the Board to pay the Directors' Fees to the Non-Executive Directors of the Company on a monthly basis and/or as and when incurred for services rendered by the Non-Executive Directors throughout the Mandate Period.

4. Ordinary Resolutions 2 to 5: Re-election of Directors

Re-election of Directors who retire in accordance with Article 107(1)(b) of the Company's Constitution

Article 107(1)(b) of the Company's Constitution provides that at each annual general meeting, one-third of the Directors of the Company for the time being, or if the number is not a multiple of three, then the number nearest to one-third shall retire from office with a minimum of one (1) shall retire from office and an election of Directors shall take place provide always that each Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

At the forthcoming 19th AGM, 2 Directors will be retiring in accordance with Article 107(1)(b) of the Company's Constitution. They are Mr. Wong Mun Wai and Mr. Lau Kok Fui. Mr. Wong Mun Wai, who being eligible for re-election has given his consent for re-election at the 19th AGM whilst Mr. Lau Kok Fui has expressed his decision to retire at close of the 19th AGM. In view thereof, Mr. Lau Kok Fui will retire from office upon the close of the 19th AGM of the Company.

Re-election of Directors who retire in accordance with Article 100 of the Company's Constitution

Article 100 of the Company's Constitution provides that the Directors shall have power from time to time and at any time to appoint additional Directors either to fill a casual vacancy or as an addition to the Board of Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by or pursuant to this Constitution. Any Director so appointed shall hold office only until the conclusion of the next annual general meeting, but shall be eligible for re-election (but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting).

Pursuant to the said Article 100, three (3) Directors, namely, Ng Keok Chai, Dato' Teoh Hai Hin and Teoh Soon Han will retire at the 19th AGM of the Company as they were appointed after last year's Annual General Meeting. They have also given their respective consent for re-election at the 19th AGM.

Notes (cont'd):

5. Ordinary Resolution 7: Authority to Allot Shares

*The Proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot not more than 20% of the total number of issued shares of the Company (excluding Treasury Shares) ("**20% General Mandate**"). The 20% General Mandate is pursuant to directive letter from Bursa Malaysia Securities Berhad dated 16 April 2020 in relation to a temporary relief measures in view of the trying and challenging times due to the COVID-19 pandemic for listed issuer to seek a higher general mandate of not more than 20% of the total number of issued shares (excluding treasury shares) instead of 10%.*

The Board of Directors are of the view that the 20% General Mandate is in the best interest of the Company and its shareholders due to unprecedented challenges from the COVID-19 impact, and will enable the Company to raise higher fund more speedily during this challenging period to ensure sustainability of the Company's existing activities as well as funding for future business expansion and investment activities.

As at the date of printing of this Annual Report, no new shares in the Company were issued pursuant to the authority granted to the Directors at the 18th AGM held on 29 August 2019 and which will lapse at the conclusion of the 19th AGM.

6. Special Resolution 1: Proposed Change of Name

The proposed Special Resolution 1 on the change of name to "Hong Seng Consolidated Berhad" to reflect new corporate identity for the Company's existing and future undertakings. The Proposed Change of Name was also undertaken to better reflect our Group's business in view that our Group has diversified its principal activities to include the moneylending business as approved by the shareholders of MSCM on 24 July 2020.

The proposed Special Resolution 1, if passed, will change the name of the Company from "MSCM Holdings Berhad" to "Hong Seng Consolidated Berhad" upon issuance of Notice of Registration of new name by the Companies Commission of Malaysia.

7. Special Resolution 2: Proposed Amendment to the Consitution of the Company

The proposed Special Resolution 2 is in line with the growth of the business of the Company and to facilitate and further enhance administrative efficiency of the Board.

The proposed Special Resolution 2, if passed, will give full effect to the proposed amendments to the Articles 98 and 129 of the Constitution of the Company as set out in Appendix A to the Annual Report 2020.

APPENDIX A

DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSITUTION OF THE COMPANY

It is proposed that the Articles of Association of the Company be amended in the following manner:

1. <u>Article 98</u>

THAT the existing Article 98 which reads as follows:

"All the Directors of the Company shall be natural persons of full age and until otherwise determined by Meeting of Members, the number of Directors shall not be less than two (2) or more than twelve (12). The Company may from time to time by ordinary resolution passed at a Meeting of Members increase or reduce the number of directors, and may also determine in what rotation the increased or the reduced number is to retire from office.

be and is hereby amended by deleting the words "**or more than twelve (12)**" in the third sentence and that the amended Article 98 shall read as follows:

"All the Directors of the Company shall be natural persons of full age and until otherwise determined by Meeting of Members, the number of Directors shall **not be less than two (2)**. The Company may from time to time by ordinary resolution passed at a Meeting of Members increase or reduce the number of directors, and may also determine in what rotation the increased or the reduced number is to retire from office."

2. <u>Article 129</u>

THAT the existing Article 129 which reads as follows:

"A resolution in writing signed by all of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Circular Resolutions" and may consist of several documents in the like form, each signed by one (1) or more Directors and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book following the receipt thereof by him. A resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director it need not be signed by the alternate Director in that capacity. A Directors' resolution in writing signed and transmitted by facsimile or any electronic means shall be deemed to be an original."

be and is hereby amended by replacing the word "**all**" with "**a majority**" in the first sentence and that the amended Article 129 shall read as follows:

"A resolution in writing signed by **a majority** of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Circular Resolutions" and may consist of several documents in the like form, each signed by one (1) or more Directors and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book following the receipt thereof by him. A resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director it need not be signed by the alternate Director in that capacity. A Directors' resolution in writing signed and transmitted by facsimile or any electronic means shall be deemed to be an original."

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MSCM HOLDINGS BERHAD
Registration No. 200101001581 (537337-M)
(Incorporated in Malaysia)

CDS Account No.

PROXY FORM

I/We ....
(FULL NAME IN CAPITAL LETTERS AND I/C NO./COMPANY NO.)

of...
(ADDRESS)

being a Member(s) of **MSCM HOLDINGS BERHAD** (the "**Company**") hereby appoint ....

....
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

of...
(ADDRESS)

or failing him, ...
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

of...
(ADDRESS)

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at Greens II, Main Wing, Level 1, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 September 2020 at 2.00 p.m. and at any adjournment thereof and to vote as indicated below:-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve Directors' fees		
2	To re-elect Wong Mun Wai as a Director of the Company		
3	To re-elect Ng Keok Chai as a Director of the Company		
4	To re-elect Dato' Teoh Hai Hin as a Director of the Company		
5	To re-elect Teoh Soon Han as a Director of the Company		
6	To appoint Grant Thornton Malaysia PLT as Auditors of the Company		
7	To approve authority to allot shares		
NO.	**SPECIAL RESOLUTION**		
1	To approve the change of Company's Name		
2	To approve the proposed amendments to the Constitution of the Company		

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.

* *Delete whichever inapplicable.*

Signed this .... day of ...., 2020.

No. of ordinary shares held

……………………………………..
Signature/Common Seal

Notes:-

1. *Only depositors whose names appear in the Record of Depositors as at 22 September 2020 shall be regarded as members and entitled to attend, speak and vote at the meeting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any persons to be his proxy.*
3. *A member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*
7. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
MSCM HOLDINGS BERHAD
Registration No. 200101001581 (537337-M)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

1st fold here

MSCM
MSCM HOLDINGS BERHAD
Registration No: 200101001581 (537337-M)

No. 18, Jalan Pemaju U1/15, Section U1, Hicom Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan, Malaysia

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