TechnoDex

STRENGTH ENDURANCE POWER

Annual Report 2021

CONTENTS

CORPORATE PROFILE

TechnoDex Bhd ("TDex" or "the Company"), an MSC-Status company, is a leading eBusiness Enabler through providing technology, and transforming into eBusiness Service Provider in the region. The Company was established on 10 September 2003 and is then converted into a public limited company on 7 April 2005. TDex was listed on 23 August 2006 on the MESDAQ Market of Bursa Securities Malaysia Berhad, which is now the ACE Market of Bursa Securities Malaysia Berhad (ACE: TDEX 0132).

Traditional business models have changed over time, and they require an injection of new technological capabilities into innovative business delivery. With the ICT foundation of the Company and its subsidiaries ("the Group"), the Group is determined to incubate and transform bricks-and-mortar businesses into eBusiness in order to create synergistic values and profits.

The Group is led by a group of professionals and businessmen from cross-industries, and instilling vast knowledge and values to evolve and transform the Group into eBusiness service provider. The Group's business expanded from traditional ICT solutions and services to recruitment & outsourcing services, eCommerce, IT hardware solutions and content businesses across the government and private sector to consumer market space.

OUR VALUES

For Our Clients:

Our mission is to create values through our eBusiness solutions and services. We strive to excel in excellence over and beyond the normal standards. We constantly challenge ourselves if the solutions and/or services can be taken to the next level. By doing so, we bring synergistic values and profits to both the Clients and the Group.

For Shareholders and Employees:

We believe the people make up the key element of a successful corporation. We believe a true relationship is nurtured through sharing and growing together. Our mission is to become established among the Malaysian business community for our innovative eBusiness services and our rich knowledge to match the business. Through our innovation, we will create values and growth for our shareholders and employees.

OUR BUSINESSES

The Group offers a vast selection of value-added services through technological capabilities. Amongst them are: -

1) Hardware, Software and Professional Services

   i) ICT Professional Services that comprises of Application Development Service, Application Support and Maintenance Service, and vertical solutions and consultation.

   ii) Data Solutions & Services that comprises of Data Security, Data Cleansing and Migration Services, Data Warehouse and BI Solutions, Data Science Strategy Services and ISO Consulting.

   iii) Cyber Security Solutions & Services comprises services for Cyber Security, Web application vulnerability scanning (https://www.ezsecure.my/), Penetration Testing, and PCI DSS Scanning and Certification.

   iv) IT Hardware Solution Development and Support and Maintenance that comprises of trading of desktop and laptop for consumer and commercial use, point of sales ("POS") computers and related peripherals and Srls solutions. It also comprises the design and development of hardware components and circuits for the POS solution segment.

2) Manpower Outsourcing and Recruitment Services

   ICT Recruitment and Outsourcing Services that focuses on sourcing, selecting, and outsourcing to fill for human resource needs.

3) E-Commerce and Specified Application Services

   SurfsTek rSupport Intelligent Solution (Srls)
   SrIS is a cloud based remote support solution based on IoT architecture. It facilitates support or helpdesk team to fix, solve and pre-empt issues and failures from intelligent data gathered from Cloud connected devices in their customers' premises, without the need for a phone or on-site support.

CORPORATE STRUCTURE
AS AT 30 SEPTEMBER 2021

TechnoDex Bhd (MSC)

100% — TechnoDex Solutions Sdn Bhd
(Incorporated in Malaysia)
- Information Technology Products and related services
- Research & Development

  51% — Technodex Accubits Sdn Bhd
  (Incorporated in Malaysia)
  - Developing and Selling IT Products and related services to focus on Fintech, Artifical Intelligence (AI), Internet of Things (IOT), Big Data Intelligence and Mobile and Web Application Development

100% — Idealseed Consultancy Services Sdn Bhd
(Incorporated in Malaysia)
- Provision of Recruitment Services and Executive Search

98.42% — Idealseed Resources Sdn Bhd
(Incorporated in Malaysia)
- Information Technology Professionals Outsourcing Services
- Information Communication Technology Consultancy
- Information Communication Technology Project Management Services

100% — SurfsTeK Resources (R&D) Sdn Bhd
(Incorporated in Malaysia)
- Providing Information and Technology Products and related services
- Carrying out relavant research and development activities

  100% — SurfsTeK Innovation Sdn Bhd
  (Incorporated in Malaysia)
  - Supplying computer hardware, components and all kind of computer related products.

  100% — HotelSurfs Sdn Bhd
  (Incorporated in Malaysia)
  - Online Hotel Booking

51% — Mydata Advisory Sdn Bhd
(Incorporated in Malaysia)
- Collection of Payments and Remittance of Payments Collected to Customer
- Compiling of Credit Information on Individuals and Business Credit Histories

100% — T5 Advance Venture Sdn Bhd
(Incorporated in Malaysia)
- Investment holding
- Provision of turnkey information technology and engineering solutions and related services that focuses on renewable, environment friendly and green technology industries

CORPORATE INFORMATION

BOARD OF DIRECTORS

YTM DATO' SERI DIRAJA TAN SRI TENGKU ABDUL HAMID THANI IBNI ALMARHUM SULTAN BADLISHAH
Independent Non-Executive Chairman

PEH LIAN HWA
Non-Independent Non-Executive Deputy Chairman

TAN SZE CHONG
Executive Director

HENG LING JY
Executive Director, Operations

TAN BOON WOOI
Non-Independent Non-Executive Director

STEVEN WONG CHIN FUNG
Independent Non-Executive Director

DATUK ABD HAMID BIN ABU BAKAR
Independent Non-Executive Director

SAIFULRIZAM BIN ZAINAL
Independent Non-Executive Director

AUDIT COMMITTEE

Saifulrizam Bin Zainal, Chairman
Steven Wong Chin Fung, Member
Datuk Abd Hamid Bin Abu Bakar, Member

NOMINATION AND REMUNERATION COMMITTEE

Datuk Abd Hamid Bin Abu Bakar, Chairman
Steven Wong Chin Fung, Member
Saifulrizam Bin Zainal, Member

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : TDEX
Stock Code : 0132

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7725 1777
Fax : 603-7722 3668

CORPORATE OFFICE

Unit E-07-03, Menara Suezcap 2, KL Gateway
No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari
59200 Kuala Lumpur
Tel : 603-7932 0111
Fax : 603-7932 0222
E-mail : info@technodex.com
Website : www.technodex.com

AUDITORS

CAS MALAYSIA PLT
LLP0009918-LCA & AF 1476
Chartered Accountants
B-5-1, IOI Boulevard
Jalan Kenari 5, Bandar Puchong Jaya
47170 Puchong, Selangor Darul Ehsan
Tel: 603-8075 2300
Fax: 603-8600 5463

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
Tel : 603-7890 4700
Fax : 603 -7890 4670

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)
(SSM PC NO. 201908001272)

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
AmBank (M) Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

1. OVERVIEW OF THE GROUP'S BUSINESS

Technodex Group ("TDEX") since its inception in 2003, has been focusing on Information Communication Technology ("ICT") solutions and services and has an industry-leading track record of on-time, on-budget projects, aligning our teams with clients' business strategies to achieve top-to-bottom line results. The Group offers a wide range of ICT solutions and services to Government and private sectors, as well as to consumers through its strong technological, data analytics and consulting capabilities in a group of subsidiaries operating in the key business segment as below: -

TECHNODEX BHD
KEY BUSINESS SEGMENTS & SUBSIDIARIES

Hardware, Software and Professional Services

- ICT Professional Services
- Data Solutions & Services
- Cyber Security Solutions & Services
- IT Hardware Solutions Development and Support Maintenance

TechnoDex Solutions Sdn Bhd
(Incorporated in Malaysia) **100%**
- Application Development
- IT Solutions & Services
- Research & Development
- Data Solutions & Services
- Cybersecurity Consulting

SurfsTeK Innovation Sdn Bhd POSMAC
(Incorporated in Malaysia) **100%**
- Point of Sales (POS) & Srls solutions
- Trading of IT Hardware & related peripherals and Support & Maintenance

Manpower Outsourcing and Recruitment Services

ICT recruitment and Outsourcing Services

IdealSeed Resources Sdn Bhd
(Incorporated in Malaysia) **98.42%**
- Sourcing, Selecting & Outsourcing
- Recruitment Services
- Human Resources & ICT Consultancy & Services

E-Commerce and Specified Application Services

SurfsTeK rSupport Intelligence Solutions (Srls)

SurfsTeK Resources (R&D) Sdn Bhd
(Incorporated in Malaysia) **100%**
- Research & Development
- SurfsTeK rSupport Intelligent Solution (Srls)

We aim to enhance profitability and strengthen our market presence in order to support our long-term sustainability and growth. Thus, we will remain committed to provide quality solutions and services, as well as continuously improving our solution and services to expand our customer base and grow our business in the local and regional markets.

2. ECONOMY OVERVIEW

Against the backdrop of a softening global and local economy, the past two years was not favourable to many businesses as impacted by the outbreak of COVID-19 since the end of 2019. The Malaysia Government announced the Movement Control Order ("MCO") 1.0 starting from 18 March 2020 to 3 May 2020 and subsequently the MCO was extended and relaxed to different phases in 2020 and 2021.

Reference to recent Malaysia Government announcements with the continuous efforts to implement the recovery process and immunisation programme which is currently running smoothly, the Malaysia Government is expected that most states to transit to Recovery Phase in October'2021.

The Malaysian economy grew by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter, but slowed down thereafter, following the re-imposition of stricter containment measures nationwide under Phase 1 of the Full MCO.

All economic sectors registered an improvement, on the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), weighed by the tighter containment measures.

As expected, headline inflation increased to 4.1% during the quarter (1Q 2021: 0.5%), due mainly to the base effect from fuel prices, as well as the lapse in the effect from the tiered electricity tariff rebate. Core inflation remained stable at 0.7% during the quarter (1Q 2021: 0.7%).

While the near-term growth outlook has been affected by resurgence in COVID-19 cases, the Malaysian economy remains on a recovery path and will be cushioned by several factors. These include continued allowances for essential economic sectors to operate, higher adaptability to working remote as well as increased automation and digitalisation. Growth will be further supported by policy measures, which will provide cash flow support, particularly for affected households and businesses. Going forward, the growth trajectory will depend on the ability to contain the epidemic and materialisation of health outcomes from the nationwide vaccination programme.

Thus, in projecting the revised growth range in the recovery phase for the year, the Bank Negara Malaysia took into account the latest global economic developments, the implementation of the first phase of the National Recovery Plan (NRP), and assumptions on the gradual transitions to the second, third and fourth phases for each state based on the pace of vaccination rollouts, and healthcare system capacities. Against this backdrop, the Malaysian economy is projected to expand between 3.0% and 4.0% in the year 2021.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

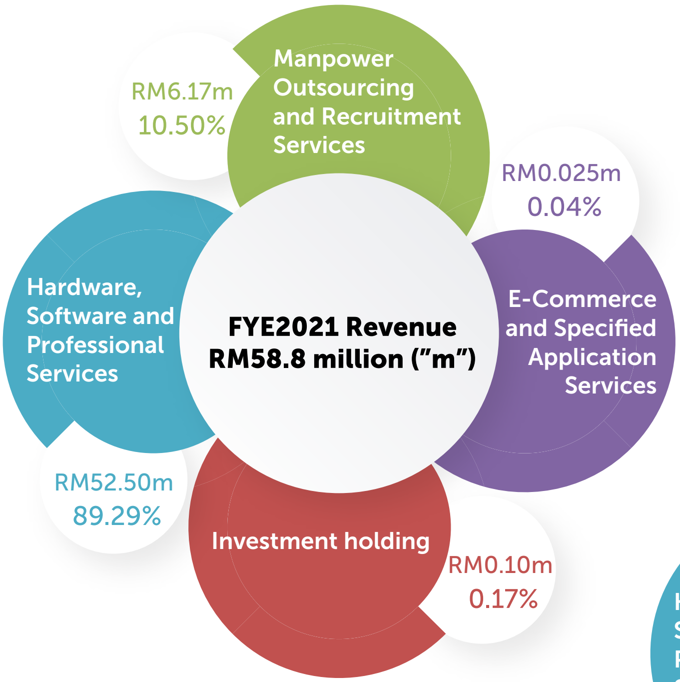
3. FINANCIAL REVIEW

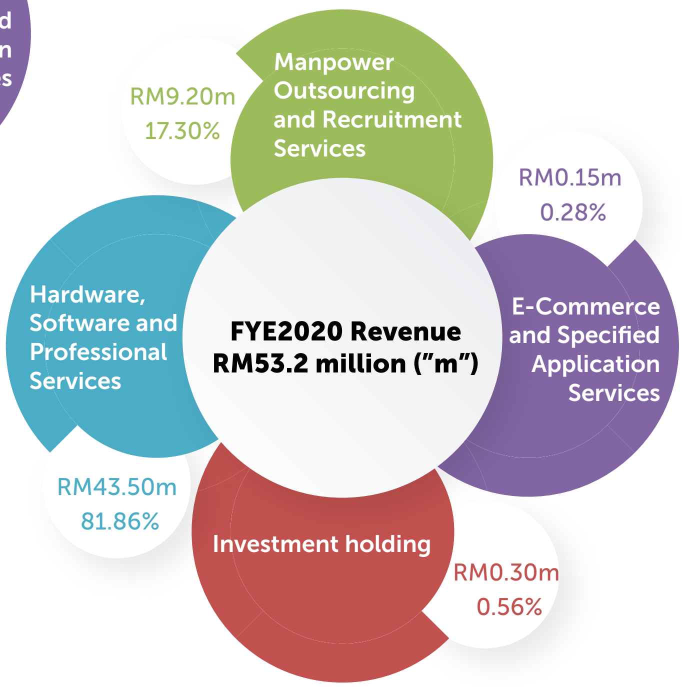
Certain key financial indicators pertaining to our financial performance and position for the financial year ended 30 June 2021 ("FYE2021") vis-à-vis the financial year ended 2020 ("FYE2020") are as follows:-

	FYE2021 RM'000	FYE2020 RM'000	Variance RM'000	%
Our financial performance				
Revenue	58,813	53,220	5,593	10.5
Gross profit	5,153	5,092	61	1.2
Other operating income	3,313	842	2,471	293.50
Employment benefits and key management personnel's remuneration	(4,776)	(4,542)	(234)	5.2
Depreciation & amortisation	(3,152)	(4,358)	1,206	-27.7
Other expenses	(4,858)	(6,197)	1,339	-21.6
Loss before tax from continuing operations	(4,587)	(9,609)	5,022	-52.3
Loss before tax from discontinued operation	(426)	(651)	225	-34.6
Loss before tax for the financial year ("LBT")	(5,013)	(10,260)	5,247	-51.1
Loss after tax for the financial year ("LAT")	(5,221)	(10,323)	5,102	-49.4
After non-controlling interest:				
Loss after tax attributable to owners of the Company	(4,972)	(9,974)	5,002	-50.2
Basic Loss per share attributable to owners of the Company (Sen)	(0.64)	(1.60)	0.96	-60

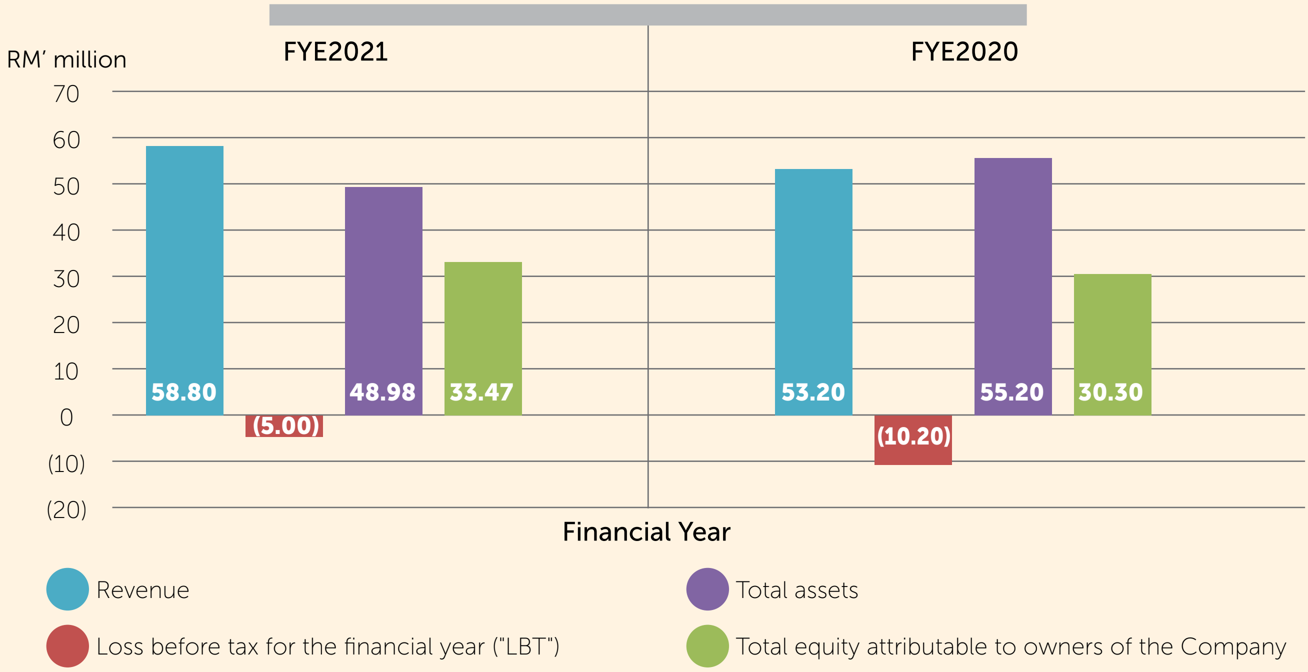
	FYE2021 RM'000	FYE2020 RM'000	Variance RM'000	%
Our financial position				
Non-current asset	9,162	21,009	(11,847)	-56.4
Current assets	39,821	34,180	5,641	16.5
Total assets	48,983	55,189		
Non-current liability	2,886	8810	(5,924)	-67.2
Current liabilities	12,596	17,010	(4,414)	-26.0
Total Liabilities	15,482	25,820		
Non controlling interest	22	(943)	965	-102.3
Total equity attributable to owners of the Company	33,478	30,312	3,166	10.4

3. FINANCIAL REVIEW (cont'd)





Key indicators of Financial Performance and Position



3. FINANCIAL REVIEW (cont'd)

3.1 Review of Financial Performance

For the FYE2021, our Group recorded a revenue of RM58.8 million as compared to RM53.2 million recorded in the FYE2020, representing an increase of RM5.6 million or 10.5%. We were faced with a challenging start in 2020 to 2021, the business operations of our Group and the majority of our customers were affected as arising from the COVID-19 pandemic resulted in economic and business uncertainties disrupting to global supply chains, manpower restrictions, sales collections and order process delays, cash flow tightening and business slowdown.

These negative impacts resulted in a lower revenue of RM3.1 million reported from the manpower outsourcing and recruitment services segment due to the overall softer market sentiment impacted by movement control orders and restrictions, especially on recruitment and supply of IT professional expatriates. The majority of our customers were affected and halted their hiring process in 2020 and 2021. (FYE2021: RM6.1million, FYE 2020:RM9.2 million).

Despite challenging times, with Group's management endurance, solid resellers channel nationwide and track records we managed to deliver an improved revenue of RM9.0 million from the Hardware, Software and Professional Services segment attributable to increased IT hardware sales orders and projects. (FYE 2021: RM52.5 million, FYE2020: RM43.5 million).

There was no major increase revenue in the E-Commerce and Specified Application Services segment due to softer and uncertainty in the market condition. Therefore, the Company has executed the disposal of subsidiary, MyProperty Data Sdn. Bhd. ("MDSB"), which brought to the Group a total cash consideration of RM3.2 million and one-time net capital gain of RM2.5 million. The rationale of the disposal of MDSB is to maximise the Group investment return and align the group's business into lower assets cost IT businesses.

For the year under review, the Group recorded a lower LBT of RM5.0 million compared to a LBT of RM10.2 million registered in FYE2020 mainly contributed from the one time net gain on disposal of MDSB classified in other operating income amounting to RM2.5 million. The Amortisation and Depreciation, was reduced by RM1.2 million or -28% (FYE2021:RM3.1 million, FYE2020:RM4.3 million) due to lower carrying amount of intangible assets as the results of strategy to lower assets IT business , as well as the lower other operating expenses by RM1.3 million or -22% (FYE2021:RM4.8 million, FYE2020:RM6.1 million) attributed to lower outsourcing IT contractor fees and project expenses.

3.2 Review of Financial Position and Liquidity

The Group's financial position remained strong during the year under review, as the Group assets base continues to be strong with total assets of RM48.98 million and the total equity attributable to the owner of the Company of RM 33.47 million

Non-current assets comprising property, plant and equipment, right of use assets, intangible assets, goodwill on consolidation as well as lease receivables (non-current), current year amount reduced by RM11.9 million (FYE2021:RM9.1 million, FYE2020:RM21.0 million). This was due to a significant lower intangible assets value of RM5.5 million as a result of amortisation, write off and disposal of intangible assets of the disposed subsidiary, as well as lease receivables repayment of RM5.7 million from government agencies contracts on provision of computers leasing and fixed schedule maintenance services.

Total current assets increased by RM5.7 million (FYE2021 RM39.8 million, FYE2020:RM34.1 million), mainly due to an increase in fixed deposit and cash at bank by RM9.3 million. This increase was mainly contributed by the efforts of expediting collection from trade and other receivables amounting to RM4.8 million and as well as private placement of shares proceeds raised of RM 8.1 million during FYE2021.

Non-current liabilities decreased by RM5.9 million (FYE2021:RM2.9 million, FYE2020:RM8.8 million) with the repayment of lease liabilities (non-current) of RM6.0 million mainly for financing liabilities of lease receivable contracts and right of use assets.

Current liabilities decreased by RM4.4 million (FYE2021:RM12.6 million, FYE2020:RM17.0 million) which comprise mainly trade and other payables, loan and borrowings as well as lease liabilities. Trade and other payables decreased by RM2.7 million in tandem with improved working capital management as a result of expedited collection from trade & other receivables to pay trade & other creditors for better procurement discount. Meanwhile, loan and borrowings were reduced by RM2.0 million to FYE2021 RM2.6 million as compare to FYE2020 RM4.6 million, the loan and borrowings were made up of solely bank overdraft for working capital purpose.

3. FINANCIAL REVIEW (cont'd)

3.2 Review of Financial Position and Liquidity (cont'd)

The equity attributable to the owners of the Company stands at RM33.47 million as at 30 June 2021 as compared to RM30.31 million as at 30 June 2020 after the increase in ordinary share capital ("shares") by RM8.12 million and lower loss after taxation attributable to the owners of the Company of RM4.97 million in the current financial year. The increase in shares from RM46.73 million (FYE2020) to RM54.85 million (FYE2021) was by way of issuance of 40,000,000 new shares pursuant to the private placement.

Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while the external source of funds comprises loan and borrowings and credit terms granted by our suppliers. Credit terms granted to us by our suppliers range from 30 to 60 days. The principal uses of these funds are for working capital requirements, operating, administrative, selling and distribution expenses.

The management believes that after taking into account our cash and bank balances as well as the funds envisaged to be generated from our business operations, we will have an adequate working capital to meet our present and foreseeable day-to-day business operations requirements.

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

4. OPERATING ACTIVITIES & FORDWARD- LOOKING

According to the Department of Statistics Malaysia ("DOSM"), Information And Communication Technology ("ICT") Satellite Account 2020 released on 15 October 2021, the ICT industry registered a 10.4% growth in 2020, valued at RM320bil, compared with 7.3% in the previous year.The ICT industry had shown positive growth despite the country having to face bitter challenges following the COVID-19 pandemic.

This positive growth is in line with the government's main focus on empowering the digital economy.

The ICT industry contributed 22.6% to the country's gross domestic product (GDP), comprising gross value added of ICT industry (GVAICT) at 14.2% and e-commerce of other industries at 8.4%.

The implementation of various phases of the MCO to curb the spread of COVID-19 and the closure of non-essential economic sectors have prompted consumers to speed up online shopping, which in turn accelerated the e-commerce market growth in Malaysia.

4. OPERATING ACTIVITIES & FORDWARD- LOOKING (cont'd)

We strive to be a market-leading technology group in ICT services whilst delivering sustainable values to our shareholders, employees, business partners and stakeholders. Our Group will continue to focus on the development for future growth of our existing businesses and we expected to improve our financial performance to stem from the following various initiatives.

Since May'2018, the abrupt changes in Malaysia's federal government have cast uncertainty over some government agencies procurements and big infrastructure projects which were planned to be rolled out. There were challenges of changes in (government) policies, which resulted in reviews or delays of procurements and projects. Reference to the new Prime Minister has sworn in as the ninth premier of Malaysia. The new leader has under control and stabilized a nation wracked by political turmoil for years. ICT sector was seen as the bright spot to pump-prime the waning local economy and a lot of previously delayed ICT procurements from government agencies will be rolled out in the next future.

In the Application Support & Services and Hardware Segment, as at report date, the Company's wholly owned subsidiary, Technodex Solutions Sdn Bhd ("TDS") has secured 2 IT contracts from government agencies amounting to approximately RM18.7 million entails provision of computer hardware such as laptops, desktop, scanners, printers, projectors leasing services and provision of fixed schedule maintenance services. The existing 2 IT Contracts have been ongoing on track. TDS since in 2003, has an industry-leading of on-time and on-budget projects track record. TDS is registered with the Ministry of Finance and e-Perolehan Enabled (Authorised Supplier to government Agencies) and since 2003 with strong technological, data analytics and business consulting capabilities have an industry-leading track record of on-time and on-budget projects.

More so the Covid-19 pandemic has played a part in driving the Digital Economy, amid the imposition of the MCO has forced government agencies and schools to adapt to work-from-home and study from home arrangements. ICT solutions will become increasingly essential for government agencies to increase the scope and quality of carrying out their daily public services.

With the privileged status and strengths of TDS, the group will anchor more IT contracts tenders in order to secure more IT contracts from the government agencies and private sectors. This initiative will enable the Group to capture the government's digital transformation policies and tap into new opportunities for growth.

Our Group has planned to expand our Cybersecurity services in Malaysia and other countries in the South East Asia region. The global cybersecurity market size is projected to grow from USD 217.9 billion in 2021 to USD 345.4 billion by the year 2026, recording a Compound Annual Growth Rate (CAGR) of 9.7% from 2021 to 2026. Our Group has entered into teaming and collaboration agreements with prospective partner and principals, to help organization secure their business operations in the most optimum manner through our total IT Security Service in Malaysia and the Region.

Furthermore, TDS has entered into a Shareholders' Agreement with Accubits Technologies Private Limited. The 51%-owned joint venture Company, namely Technodex Accubits Sdn. Bhd. ("TAB") has been incorporated on 25 August 2021 as the move to broaden our services of Artificial Intelligence, Blockchain, Big Data Intelligence, and Mobile & Web Application Development in the Southeast Asia region.

For the IT Hardware segment, our Group has been appointed by 5 international principals, including BIXOLON Co., Ltd,Qingdao Hisense Intelligent Commercial System Co., Ltd, Intermec Technologies (S) Pte Ltd (a wholly - owned subsidiary of Honeywell International Inc.) and Xiamen Maken Tech Co., Ltd to distribute their computer and point of sales hardware as well as related accessories and peripherals within the South East Asia region. Our Group planned to discuss with other prospective principals to secure additional distributorships to expand our product range to our customers. One of the earlier plan set out in November 2019, was the regional expansion. The Covid-19 outbreak had resulted in travel restriction and lock-down in many countries which significantly reduced demands from F&B businesses. Our Group has delayed our regional expansion plans and thus directly impacted our expected revenue from this POS segment. However, our Group will continue to initiate strategies such as exporting from Malaysia to capture the demand for computer and point of sales hardware in the region by collaborating with business partner(s) in the other countries. Our Group has taken streamlining initiative to reduce the operating costs of this segments operation.

4. OPERATING ACTIVITIES & FORDWARD- LOOKING (cont'd)

In the Manpower Outsourcing and Recruitment Services segment, the Company's 98.42%—owned subsidiary, Idealseed Resources Sdn Bhd ("Idealseed") was founded in the year 2005 with more than 16 years in the Manpower and recruitment market specialized in a full range of services with a core focus in contracts outsourcing, placement search, human resource consultancy related services such as expatriate permit application and payroll services in Malaysia and oversea countries. Throughout the years, we have been serving our clients from banking, Fintech, ICT, insurance, Telco and manufacturing industries and have a proven project track record serving many foreign organisations include Thailand, Philippines, China, Dubai Qatar and India.

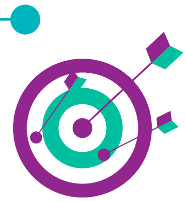
The need for recruitment services is often linked to gross domestic product. As economy conditions improve and the demand for human resources rises, the recruitment industry also expands.

For the past 2 years, against the backdrop of a softening global and local economy, many companies have halted their hiring process, and/or, candidates unable to report to work due to lockdown especially on recruitment and supply of IT professional expatriate, this has resulted in revenue loss reported for this segment

Our Group will focus to expand our services to other foreign organisations especially in the South East Region, as well as adopting strategy to generate more consistent income on increase the outsourcing contract services revenue and widen our services offering to more other professional talents on hyper-growth segments such as fintech start-ups, cybersecurity and technology firms.

One of our forwarded strategies is to build long-term relationships and get increased revenue from past and existing customers. The Group will adopt policy to address ongoing customer needs to develop new products and services aimed at current customers by upsell and cross-sell among group subsidiaries clienteles as part of our marketing strategy rather than focusing only on new customer acquisition.

For the E-Commerce and Specified Application Services segment, for the year under review, the Group has disposed of MDSB which brought to the Group a total cash consideration of RM3.2 million and one-time net capital gain of RM2.5 million. The Group will continue to align its business into lower application development assets cost IT businesses in order to maximise the Group financial performance.



In addition, the Group will continue to adopt the strategy of emphasing investment on higher growth and profit margin business. Forward looking, the Group is also eyeing mergers and acquisitions or joint ventures and diversification opportunities to achieve the Group growth objective.

Premised on the above and coupled with the positive outlook of the IT and outsourcing and recruitment industry, our Board is positive that it will allow us to weather oncoming challenges and to continue gaining traction in the local and oversea ICT markets. By continuing to focus on market expansion and product development, our Group is best positioned to enhance our financial performance and shareholders' value.

5. ANTICIPATED OR KNOWN RISKS

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:-

Technological obsolescence

We are subject to inherent risks associated with the rapid changes in customer requirements, constant technological development as well as evolving industry standards. Failure to manage and respond to these changes will render our solutions obsolete. Our existing market position may also be weakened by the introduction of new or enhanced solutions by competitors.

As such, we seek to limit such risks by actively engaging in research and development. Our Group constantly strives to upgrade our existing infrastructure and computing equipment to ensure that we can cater to rapidly changing market demands.

The Group will place its priority on constantly adapting to rapidly changing market demands, and developing new business software solutions in a timely and cost effective manner.

Competition

The ICT solutions industry is highly competitive and fragmented as there are numerous industry players in Malaysia. Competitive pressures are expected to further increase in the future, and this could have an adverse effect on our pricing position and profitability.

Although our Group has established long-term relationships with key customers, there can be no assurance that the emergence of new competitors will not have an adverse impact on our Group's operations. Notwithstanding this, our Board is of the opinion that our new technology framework platform, coupled with our continuous emphasis on research and development, will enable us to remain relevant in the industry.

Credit and Liquidity Risk

The Group's exposure to credit risk mainly arises from its trade receivables. Credit risk is minimised by constantly monitoring the financial standing of the debtors on an ongoing concern basis to mitigate the risk of long outstanding debts. The Group does not have any major concentration of credit risks related to any individual customer and counterparty. For bank deposits, the Group minimise credit risk by dealing exclusively with the reputable financial institution.

6. DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board of Directors. No dividends were paid, declared or proposed by the Company since the end of the previous financial year. The Directors also do not recommend any final dividend in respect of the FYE 2021.

As our Company is an investment holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend on distributable profits, operating results, financial condition, capital expenditure plans and other factors that our Board of Directors deems relevant.

YTM DATO' SERI DIRAJA TAN SRI TENGKU ABDUL HAMID THANI IBNI ALMARHUM SULTAN BADLISHAH

Independent Non-Executive Chairman

Malaysian, Aged 70, Male

YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah was appointed to the Board on 26 October 2020 as the Independent Non-Executive Chairman.

He graduated in 1971 with a Diploma in Hotel Management from the Mara Institute of Technology.

He is the Executive Chairman of THB group of companies whose core business is federal road maintenance in Penang, Kedah and Perlis, State JPS roads, development and construction in Kedah. He has more than 31 years of experience in the business sector.

He does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended three (3) Board Meetings held during the financial year ended 30 June 2021 since his appointment to the Board on 26 October 2020.

PEH LIAN HWA

Non-Independent Non-Executive Deputy Chairman

Malaysian, Aged 58, Male

Mr. Peh Lian Hwa was appointed to the Board on 26 October 2020 as the Non-Independent Non-Executive Deputy Chairman. Mr. Peh is also a major shareholder of the Company.

Mr. Peh completed his tertiary education in 1984. He is a self-made entrepreneur, mostly involved in entrepreneurial activities throughout his career. He has over 37 years of experience and expertise in the property development and construction industry.

Mr. Peh is the founder of Teguh Harian Sdn. Bhd. Group of Companies ("Teguh Harian Group"), one of the established property developers in the northern region of Malaysia. He started to delve into the building materials trading and construction business in 1984. Since then, he led the expansion of Teguh Harian Group actively involved in the development of commercial, industrial, residential properties, special projects of hotels, retail malls, specialist medical centres, and controlling a 5-star hotel and quarry.

He is responsible to provide leadership to the Board, assist the Chairman to evaluate the contributions, effectiveness and the performance of the Board.

Mr. Peh does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He is the father of Mr. Peh Yueh Han, who is a Director of TechnoDex Solutions Sdn. Bhd. and T5 Advance Venture Sdn. Bhd., subsidiaries of the Company.

He attended three (3) Board Meetings held during the financial year ended 30 June 2021 since his appointment to the Board on 26 October 2020.

TAN SZE CHONG

Executive Director and Key Senior Management

Malaysian, Aged 52, Male

Mr. Tan Sze Chong was appointed to the Board on 22 December 2011 as a Non-Independent Non-Executive Director. He was re-designated as the Executive Director and assumed the position as the Group Managing Director of the Company on 20 September 2013. He was subsequently re-designated as Executive Director, Corporate Planning and Strategy of the Company on 26 October 2020.

Mr. Tan graduated from the University of North Florida, USA with Bachelor of Business, majoring in Marketing and Business Management, and Master of Business Administration in 1991 and 1992 respectively.

He has more than 28 years of experience in credit information and market research industries. He commenced his career in 1993 with New Strait Times Technology as Research Analyst. He furthered his career with Taylor Nelson Sofres as Research Manager in 1994. In 1997, Mr. Tan founded InfoCredit International Sdn. Bhd., a company involved in the provision of credit research, information and ratings. In 2000, InfoCredit joint venture with Dun & Bradstreet USA, where Mr. Tan was appointed as the Managing Director and continued to lead growth and success of Dun & Bradstreet Malaysia.

During his tenure with Dun & Bradstreet, Mr. Tan successfully introduced credit training modules and framework for the industry. In 2003, Mr. Tan brought the company into Independent Market Research for companies going for Initial Public Offerings ("IPO"). Mr. Tan also led the company into a joint venture with Credit Guarantee Corporation and Association of Banks Malaysia, namely Credit Bureau Malaysia, where Mr. Tan was seconded as the Chief Executive Officer between 2011 and 2013.

During his tenure as the Group Managing Director of the Company, Mr. Tan successfully entered into numerous joint ventures and diversified revenue portfolios for the Group. He is responsible for charting the strategic directions and focus of the Group. He focuses vastly on the corporate planning and strategic development in the overall management and business development of the Group and is providing corporate finance strategy and guidance to ensure that the company's financial strategy objectives are met.

Mr. Tan does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He is the spouse of Ms. Heng Ling Jy, who is an Executive Director of the Company.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2021.

HENG LING JY

Executive Director, Operations and Key Senior Management

Malaysian, Aged 52, Female

Ms. Heng Ling Jy was appointed to the Board on 27 June 2019 as the Executive Director cum Chief Operating Officer. She was subsequently re-designated as Executive Director, Operations of the Company on 26 October 2020, mainly focus on the operations of the Group.

Ms. Heng graduated from the University of North Florida, the USA with a Bachelor of Science in Computers and Information Sciences, and a Master of Business Administration in 1992 and 1994 respectively.

Ms. Heng commenced her career in Information Technology with BTI Services Inc. in Florida in 1991. She continued her career with Solsisnet Sdn. Bhd. (member of Dataprep Holdings Bhd.) as Business Consultant between 1995 and 1999. In 2000, she moved on to join IP Technology Sdn. Bhd. (associated company of iProperty Sdn. Bhd.) where she helped drive technology strategy for the company. Subsequently, in 2001, Ms. Heng founded the Group.

In 2006, Ms. Heng and her team successfully brought the Company to be listed on the ACE Market, Bursa Malaysia Securities Berhad. She was appointed to the Board as an Executive Director between 2001 and 2013. She also served as the Group Chief Operating Officer between 2001 and 2009. In 2010, Ms. Heng assumed the position as the Group Managing Director until 2013. During her tenure as the Managing Director, she successfully developed and stabilised the Group's business and operations.

In 2013, Ms. Heng retired from the Board and focuses on managing the operations of the subsidiaries of the Company, i.e. TechnoDex Solutions Sdn. Bhd. and EvoDex Solution Sdn. Bhd., (now known as Idealseed Consultancy Services Sdn. Bhd.). She also facilitates corporate strategic planning and business support to the Group.

Ms. Heng does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

She is the spouse of Mr. Tan Sze Chong, who is an Executive Director of the Company.

She attended all four (4) Board Meetings held during the financial year ended 30 June 2021.

TAN BOON WOOI

Non-Independent Non-Executive Director

Malaysian, Aged 48, Male

Mr. Tan Boon Wooi was appointed to the Board on 8 January 2014 as a Non-Independent Non-Executive Director. He was re-designated as an Executive Director on 29 June 2016. Subsequently, he was re-designated as a Non-Independent Non-Executive Director of the Company on 26 January 2021.

Mr. Tan graduated from the University of Southern Queensland, Australia with a Bachelor of Business in Accountancy in 1994.

Mr. Tan, a trained accountant and entrepreneur, commenced his career with an international accounting firm. He is currently a member of the Malaysian Institute of Accountants (MIA) and director of several private companies in logistics, property development and business advisory.

He does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended three (3) out of four (4) Board Meetings held during the financial year ended 30 June 2021.

STEVEN WONG CHIN FUNG

Independent Non-Executive Director

Malaysian, Aged 54, Male

Mr. Steven Wong Chin Fung was appointed to the Board on 11 May 2011 as an Independent Non-Executive Director of the Company. He was re-designated as the Senior Independent Non-Executive Director of the Company on 24 June 2013. On 20 September 2016, he was re-designated as the Independent Non-Executive Chairman of the Company and was subsequently re-designated as an Independent Non-Executive Director of the Company on 26 October 2020. Mr. Steven Wong is a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Mr. Steven Wong graduated from the University of Melbourne, Australia with a Bachelor of Law degree in 1990. Upon graduation, he did his pupillage in an established law firm and was admitted to the Malaysian Bar in February 1991. He has been in private legal practice since then. He has more than 30 years of experience in commercial and civil litigation.

He currently sits on the Board of Artroniq Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad and PT Resources Holdings Berhad.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2021.

DATUK ABD HAMID BIN ABU BAKAR

Independent Non-Executive Director

Malaysian, Aged 66, Male

Datuk Abd Hamid Bin Abu Bakar was appointed to the Board on 20 December 2016 as a Non-Independent Non-Executive Director and re-designated as an Independent Non-Executive Director on 27 June 2019. Datuk Abd Hamid is a member of the Audit Committee and the Chairman of the Nomination and Remuneration Committee of the Company.

Datuk Abd Hamid graduated from the University of Technology Malaysia, with a Bachelor of Surveying in Property Management in 1979. He started his career as a Valuation Officer in the same year at The Valuation and Property Services Department (JPPH), Ministry of Finance Malaysia. During Datuk's years of service, Datuk has completed his Post Graduate Diploma in Property Valuation and Management from Sheffield Hallam University, the United Kingdom in 1997. He is a Registered Valuer certified by The Board of Valuers, Appraisers and Estate Agents Malaysia in 1982.

Since 1979, Datuk had held numerous designations while he was in JPPH, he was the District Valuer, State Valuer and the Deputy Director General of Valuation and Property Services (Operation). At the peak of Datuk's career, Datuk was appointed as the Director General of The Valuation and Property Services Department, Ministry of Finance Malaysia from November 2012 till March 2015. During the same period, Datuk was the President of The Board of Valuers, Appraisers and Estate Agents Malaysia.

Datuk has more than 36 years of experience in the Property Management industry and hence, Datuk was invited to be the Adjunct Professor for the University of Technology Malaysia from 2013 to March 2015.

He does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended three (3) out of four (4) Board Meetings held during the financial year ended 30 June 2021.

SAIFULRIZAM BIN ZAINAL

Independent Non-Executive Director

Malaysian, Aged 45, Male

En. Saifulrizam Bin Zainal was appointed to the Board on 15 December 2017 as an Independent Non-Executive Director of the Company. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company.

En. Saifulrizam holds a Master in Business Administration and Finance from International Islamic University of Malaysia and a Bachelor of Business Administration and Finance (Honour) from University Technology MARA both under the Bank Negara Malaysia Scholarship.

En. Saifulrizam has more than 23 years of experience in the financial services industry, oil and gas as well as IT industry. He started his career with Bank Negara Malaysia ("BNM") in 1998. He spent stint number of years with BNM involving various National Projects Committee such as Technology Taskforce Committee, Financial Stability Working Group, Financial Sectors Working Group and Malaysia Accounting Standard Board for GP-8 under FRS 139. Then in 2006, he was assigned to setup a new established organisation under BNM purview namely Perbadanan Insurans Deposit Malaysia or PIDM, a new regulatory and supervisory framework under Deposit Insurance until March 2014.

After leaving PIDM in 2014, he joined Basra Oil Sdn Bhd in 2014 as the Chief Financial Officer, the first PETRONAS Premium Dealer for the marine industry in Malaysia. He then moved on to BaseNET Technology Sdn. Bhd. as the Group Chief Financial Officer in 2015. He oversees the IT and Telecommunication sectors until October 2017. He was the Chairman of Koperasi Maal Nizami Negeri Selangor Berhad since 2018 until 2020. He is also the former Chief Executive Officer for ACE Investment Bank Labuan Limited from January 2020 to January 2021.

He does not hold directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2021.

Notes

1. *None of the Directors have family relationships with any Director and/or major shareholder of the Company except for the following:*
   a) *Mr. Tan Sze Chong is the spouse of Ms. Heng Ling Jy, a Director of the Company.*
   b) *Mr. Peh Lian Hwa is the father of Mr. Peh Yueh Han who is a Director of TechnoDex Solutions Sdn. Bhd. and T5 Advance Venture Sdn. Bhd., subsidiaries of the Company.*
2. *None of the Directors have any conflict of interest with the Company.*
3. *None of the Directors have been convicted of any offence in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2021.*

CHUA KEONG LOONG

Malaysian, Aged 44, Male

Chief Executive Officer

SurfsTeK Resources (R&D) Sdn. Bhd.
SurfsTeK Innovation Sdn. Bhd.

Mr. Chua Keong Loong was appointed as the Chief Executive Officer on 1 January 2019, overseeing the business operations of SurfsTek Resources (R&D) Sdn. Bhd. and SurfsTek Innovation Sdn. Bhd.

Mr. Chua started his career in the IT industry in 1997, he progressively covered Sales and Technical-Marketing roles obtaining outstanding results. His commendable Sales abilities in the Technology sector allowed him to achieve ambitious results in the industry that induced him to start and successfully grow his own IT Distribution Company in 2003. In 2015, upon merger with TechnoDex Group, Mr. Chua was appointed as the General Manager to SurfsTek Innovations Sdn. Bhd.

He was mostly involved in entrepreneurial activities throughout his career and always receive unanimous consensus and admiration for his achievements from the market, including the most prestigious 2010 Golden Bull business award and in the same year, the "Best top-100 of SMEs" in Malaysia. In 2011, he was confirmed through the SME Golden Bull as a recognition for his great Sales performances. In the same year, Mr. Chua received the Top SME Young Entrepreneur 2011 award and two years later he achieved the best top 100 of SMEs prize and the SME Excellent Eagles – Golden Eagle.

Currently, Mr. Chua is responsible for managing the overall operations and management of SurfsTek Resources (R&D) Sdn. Bhd and SurfsTek Innovation Sdn. Bhd.

PEH YUEH HAN

Malaysian, Aged 28, Male

Director of TechnoDex Solutions Sdn. Bhd. and T5 Advance Venture Sdn. Bhd.

Mr. Peh Yueh Han was appointed to the Board of TechnoDex Solutions Sdn. Bhd. and of T5 Advance Venture Sdn. Bhd. on 15 October 2020 and 10 December 2020 respectively. He graduated from the University of Melbourne, Australia with a Bachelor's Degree of Commerce in 2016.

He began his career in 2017 as an Executive Director of Teguh Harian Sdn. Bhd's group of companies ("Teguh Harian Group"), one of the established property developers in the northern region of Malaysia, with core business in the development of commercial, industrial, residential properties, special projects of hotels, retail malls, specialist medical center and controlling a 5-star hotel and quarry. His core corporate responsibility is leading and directing the Teguh Harian Group board's decisions and visions to be effectively implemented and communicated to the group operation level. His notable experience, aside from being responsible for overall creation, planning, execution of the corporate strategies, business plan and policies, includes managing day-to-day business operations and resources towards realising continuing growth and long-term business strategies goals of the Teguh Harian Group.

Currently, Mr. Peh plays a crucial role in business development and establish corporate strategies and policies to expanding the customer base and presence of a company and its IT products & services. His responsibility entails driving business growth by identifying technology development opportunities, tracking new IT products and services, generating sales leads and building sustainable client relationships in the government and private sector.

Mr. Peh Yueh Han is the son of Mr. Peh Lian Hwa, the Non-Independent Non-Executive Deputy Chairman and a major shareholder of the Company.

TAM YUN KIAM

Malaysian, Aged 48, Male

Group Financial Controller

TechnoDex Bhd.

Mr. Tam Yun Kiam was appointed as the Group Financial Controller in July 2019. He is responsible for the financial management, human resources and administration management of the Group.

Mr. Tam is a qualified Chartered Accountant and Chartered Management Accountant. He is a member of the Malaysian Institute of Accountants and The Chartered Institute of Management Accountant, England.

He joined the Group on 5 June 2017 and has more than 21 years of working experience cover auditing, taxation, business advisory, corporate finance, human resource management, financial and management accountancy. He had work exposure in the sectors of chartered accountants and consultancy firms, professionally manage medium enterprises and public listed company covering the fast-moving consumer goods, manufacturing, trading, retailing, system integration, project management and consultancy businesses.

He has been working closely with the Executive Directors. Mr. Tam has successfully and effectively implemented various corporate exercises inclusive of fund raising and mergers & acquisitions. Mr. Tam also participated in Technodex Group's strategic planning and execution.

Mr. Tam attended every Board meeting and assisted the Board of Directors to implement its policies and decisions in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management framework, management and financial reporting practices of the Group in compliance with the corporate directive and the statutory and legal requirements for public announcements to the stock exchange.

Wong Siam Hong

Malaysian, Aged 52, Female

Group Admin and HR Manager

TechnoDex Bhd.

Ms. Wong Siam Hong was appointed as the Group Admin and HR Manager of the Company and its subsidiaries ("the Group") in 2018 and she is responsible for overseeing the human resources needs of the Group. With over 14 years of HR experience, she has a proven track record in employee engagement and stakeholder management.

Ms. Wong graduated in 1991 from Rima College with a Diploma in Executive Secretaryship. In the same year, she landed the Label Chief Position in Polygram Records Sdn. Bhd., where she spent 7 years playing a leading role in promoting the company's regional products.

In 2004, she helped co-found Idealseed Resources Sdn. Bhd. and subsequently appointed as a Director of the company. During her time as a Director, she has resided over Idealseed's growth into an established company in the IT recruitment industry.

Notes

1. *None of the Key Senior Management has family relationships with any Director and/or major shareholder of the Company except for Mr. Peh Yueh Han who is the son of Mr. Peh Lian Hwa, the Deputy Chairman and a major shareholder of the Company.*
2. *None of the Key Senior Management has any conflict of interest with the Company.*
3. *None of the Key Senior Management has been convicted of any offence in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2021.*
4. *None of the Key Senior Management holds any directorship in public companies and listed corporations.*

INTRODUCTION

The Board of Directors ("the Board") of Technodex Bhd ("TDex" or "the Company") is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties to enhance shareholders' value, consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG"), the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Corporate Governance Guide.

The Board is pleased to set out below the Corporate Governance Overview Statement which describes the manner in which the Group has applied the following principles of the Code during the financial year ended 30 June 2021 ("FYE 2021"):

A. Board leadership and effectiveness;

B. Effective audit and risk management; and

C. Integrity in corporate reporting and meaningful relationships with stakeholders.

This Corporate Governance Overview Statement should be read together with the Corporate Governance Report for the FYE 2021 which is available on the Company's corporate website at www.technodex.com as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

The Board collectively leads and is responsible for the performance and affairs of the Group, including practising a high level of good governance. All Board members are expected to show good stewardship and act professionally as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility in leading and directing the Group towards realising long term objectives and increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.

The Board has also delegated certain responsibilities to the following committees to assist in the execution of its responsibilities:

a. Audit Committee

b. Nomination and Remuneration Committee

(collectively referred to as "Board Committees")

The Board Committees' Terms of Reference can be accessed via the Company's corporate website, www.technodex.com.

Each Board Committee operates in accordance with its respective Terms of Reference approved by the Board. The Board upon the recommendation of the Nomination and Remuneration Committee ("NRC"), appoints the members and chairman of each Board Committee.

The role of the Board Committees is to advise and make recommendations to the Board. However, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman of various committees provide a verbal report on the outcome of their committee meetings to the Board, and any further deliberation is made at the Board level, if required.

PART I - BOARD RESPONSIBILITIES (cont'd)

The Board is led by its Chairman, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah who holds an Independent Non-Executive position. The roles of the Chairman and Executive Directors are distinct and separate to ensure that there is a balance of power and authority. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Executive Directors have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The detailed roles and responsibilities of the Chairman and Executive Directors are set out in the Board Charter.

The Board is supported by a qualified and competent Company Secretary. Our Company Secretary is a member of the Malaysian Association of Companies Secretaries and is holding a professional certificate as qualified Company Secretary under the Malaysian Companies Act 2016. She possesses over 26 years of experience in corporate secretarial practices.

The Company Secretary plays an advisory role in supporting the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company, particularly Companies Act 2016, Listing Requirements, MCCG, Company's Constitution and Board Charter.

The Directors receive notices of meetings, typically at least five (5) working days prior to the date of meetings. This provides sufficient details of matters to be deliberated during the meeting and the information provided therein is not confined to financial data but includes also non-financial information, both quantitative and qualitative, which is deemed critical for the Directors' knowledge and information in arriving at a sound and informed decision.

The Board has put in place a Board Charter which was reviewed, revised and approved by the Board on 24 May 2021 and is published in the Company's corporate website at www.technodex.com and will be reviewed from time to time to ensure it remains consistent with the Board's objectives, current law and practices. The Code of Ethics and Conduct is also included in the Board Charter.

The Board has also adopted a Whistle Blowing Policy and Anti-Bribery and Corruption Policy which will be reviewed from time to time to ensure it continues to remain relevant and appropriate. These 2 policies are published in the Company's corporate website at www.technodex.com.

PART II – COMPOSITION OF THE BOARD

The Board currently has eight (8) members, comprising the following:-

- one (1) Independent Non-Executive Chairman;
- one (1) Non-Independent Non-Executive Deputy Chairman;
- two (2) Executive Directors;
- one (1) Non-Independent Non-Executive Director; and
- three (3) Independent Non-Executive Directors.

This current composition of the Board is in line with Practice 4.1 of the MCCG where at least half of the Board comprises independent directors.

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

PART II – COMPOSITION OF THE BOARD (cont'd)

Pursuant to Practice 4.2 of the MCCG, in view that Mr. Steven Wong Chin Fung has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, the Board will be seeking approval of the shareholders of the Company at the forthcoming Annual General Meeting ("AGM") to support the Board's decision for his retention as an Independent Non-Executive Director of the Company.

The Board believes that the Independent Directors' continued contribution, especially their invaluable knowledge of the Group gained through the years, will provide stability and benefits to the Board and the Company as a whole. Their caliber, qualification, experience and personal qualities, and more importantly, the Director's integrity and objectivity in discharging their responsibilities in the best interest of the Company predominantly determine the ability of the Directors to serve effectively as Independent Directors.

Appointment of Board and recruitment of Senior Management are based on objective criteria, merit and besides gender diversity, due regard is placed for a required mix of skills, experience, independence, age, integrity, core competencies and cultural background.

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The NRC scrutinises the candidates and recommends the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate shall bring to complement the Board.

In searching for suitable candidates, the NRC may receive suggestions from existing Board Members, Management and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

The Company had adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and senior management level. The Gender Diversity Policy does not set any specific target on the composition in terms of gender, age or ethnicity of its Board members. However, the Board is well-represented by individuals drawn from distinctly diverse professional backgrounds.

The NRC comprises the following members, all being Independent Non-Executive Directors:

Name	Designation
Datuk Abd Hamid Bin Abu Bakar (Chairman)	Independent Non-Executive Director
Steven Wong Chin Fung (Member)	Independent Non-Executive Director
Saifulrizam Bin Zainal (Member)	Independent Non-Executive Director

The Terms of Reference of the NRC is published on the corporate website of the Company at www.technodex.com.

The activities carried out by the NRC during the FYE 2021 are as follows:-

(i) Reviewed and assessed the Executive Directors and Non-Executive Directors' Annual Performance Evaluation Forms.

(ii) Evaluated the balance of skills, knowledge and experience of the Board and in the light of this evaluation, reviewed the role of the Independent Non-Executive Chairman and Executive Directors respectively, to ensure a balance of power and authority, and a clear division of responsibilities.

(iii) Reviewed and assessed the performance of the Audit Committee.

(iv) Reviewed the independence of the Independent Directors.

(v) Reviewed and recommended to the Board for consideration, the re-election of Mr. Steven Wong Chin Fung and Mr. Tan Sze Chong as Directors who retired by rotation pursuant to Clause 85 of the Constitution of Company at the Sixteenth AGM held on 3 December 2020.

PART II – COMPOSITION OF THE BOARD (cont'd)

(vi) Reviewed and recommend to the Board for consideration, the re-election of YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Thani Ibni Almarhum Sultan Badlishah and Mr. Peh Lian Hwa who retired pursuant to Clause 91 of the Constitution of the Company at the Sixteenth AGM held on 3 December 2020.
(vii) Reviewed and evaluated the independence of Independent Directors who have served the Board for a cumulative term of more than nine (9) years pursuant to the MCCG.
(viii) Reviewed the remuneration package of all the Directors of the Company.
(ix) Reviewed the re-designation of Mr. Tan Sze Chong, Ms. Heng Ling Jy, Mr. Steven Wong Chin Fung and Mr. Tan Boon Wooi.
(x) Reviewed, considered and recommended to the Board for consideration the nominees for appointment as Directors of the Company.
(xi) Reviewed and recommended to the Board for consideration, the remuneration packages (including fees and benefits) for new appointment of Directors.

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Board Committees. The NRC is entrusted the task to review and evaluate the individual Director's performance and the effectiveness of the Board and the Board Committees on an annual basis.

The NRC is required to report annually to the Board an assessment of the performance of the Board and the Board Committees. This will be discussed with the Board. The NRC will also evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board Committees.

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. All the Directors have attended more than 50% of the total Board Meetings held during the FYE 2021 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2021 are as follows:

Type of Meetings / Name of Directors	Board of Directors	Audit Committee	Nomination and Remuneration Committee
	No. of Meetings Attended		
YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah (Appointed on 26 October 2020)	3/3	N/A	N/A
Peh Lian Hwa (Appointed on 26 October 2020)	3/3	N/A	N/A
Steven Wong Chin Fung	4/4	4/4	1/1
Tan Sze Chong	4/4	N/A	N/A
Heng Ling Jy	4/4	N/A	N/A
Tan Boon Wooi	3/4	N/A	N/A
Datuk Abd Hamid Bin Abu Bakar	3/4	3/4	1/1
Saifulrizam Bin Zainal	4/4	4/4	1/1

PART II – COMPOSITION OF THE BOARD (cont'd)

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual Directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

The Directors will continue to undergo annually other relevant training programmes, courses, talks, conferences and seminars to keep abreast of relevant changes in laws and regulations, development in the industry in order to further enhance their skills and knowledge.

The Directors have attended the following training, seminars and conferences during the FYE 2021:-

Director	Training/ Seminars/ Conferences
Peh Lian Hwa	Mandatory Accreditation Program

During FYE 2021, the Company Secretary briefed all the Directors of the Company on the Updated Malaysian Code on Corporate Governance which was issued by Securities Commission Malaysia on 28 April 2021.

PART III - REMUNERATION

The Board through NRC aims to set remuneration at levels that are sufficient to attract and retain Directors.

The Board has established a formal and transparent Remuneration Policy as a guide for the Board and the Remuneration Committee to determine the remuneration of Directors and/or Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required. The Remuneration Policy is available at the Company's corporate website at www.technodex.com.

The Board determines the remuneration of Executive Directors and Non-Executive Directors by taking into consideration the recommendations of the NRC. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration. The aggregate amounts of Directors' fees to be paid to the Directors is subject to the approval of the shareholders at the AGM.

The remuneration of the Directors of the Company and the Group for the FYE 2021 is as follows:-

The Company

Name of Directors	Fees RM'000	Salaries RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Other Emoluments RM'000	Total RM'000
YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah	81.935	-	-	-	-	-	**81.935**
Peh Lian Hwa	81.935	-	-	-	-	-	**81.935**
Steven Wong Chin Fung	30	-	-	-	-	-	**30**
Tan Sze Chong	-	230	-	-	-	-	**230**
Heng Ling Jy	-	230	-	-	-	-	**230**
Tan Boon Wooi	12.5	65	-	-	-	-	**77.5**
Datuk Abd Hamid Bin Abu Bakar	30	-	-	-	-	-	**30**
Saifulrizam Bin Zainal	30	-	-	-	-	-	**30**
TOTAL	**266.37**	**525**	**-**	**-**	**-**	**-**	**791.37**

PART III - REMUNERATION (cont'd)

The Group

Name of Directors	Fees RM'000	Salaries RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Other Emoluments RM'000	Total RM'000
YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah	81.935	-	-	-	-	-	**81.935**
Peh Lian Hwa	81.935	-	-	-	-	-	**81.935**
Steven Wong Chin Fung	30	-	-	-	-	-	**30**
Tan Sze Chong	-	230	-	-	-	-	**230**
Heng Ling Jy	-	230	-	-	-	-	**230**
Tan Boon Wooi	12.5	65	-	-	-	-	**77.5**
Datuk Abd Hamid Bin Abu Bakar	30	-	-	-	-	-	**30**
Saifulrizam Bin Zainal	30	-	-	-	-	-	**30**
TOTAL	**266.37**	**525**	**-**	**-**	**-**	**-**	**791.37**

Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board views that the disclosure of the remuneration of Senior Management would not be in the best interest of the Company given the competitive human resources environment and may give rise to recruitment and talent retention issues.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE

The AC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board. All members of the AC are financially literate. The AC has full access to both the internal and external auditors, who, in turn, have access at all times to the Chairman of the AC.

The composition of the AC and the works carried out by the AC during the FYE 2021 are outlined in the AC Report in this Annual Report.

The Board maintains a transparent and professional relationship with the Group's external auditors through the AC. The criteria for the external auditors assessment include quality of services, the sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professional scepticism. In determining the independence of the external auditors, the AC reviewed and assessed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and the external auditors relating to audit independence. The AC also reviewed and assessed the external auditor's performance and independence.

The AC meets the external auditors to review the scope and adequacy of the audit process, updates on the financial reporting standards, the financial statements and their audit findings. In addition, the external auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

The AC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and the proposed audit fees before recommending to the Board for approval.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibilities for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' interest and the Company's assets. The Group's system of internal control is regularly reviewed to ensure its effectiveness. While acknowledging its responsibility for the system of internal control, the Board is aware that such a system cannot totally eliminate risks and thus can never be an absolute assurance against the Group failing to achieve its objectives. The Group's Statement on Risk Management and Internal Control for the FYE 2021 is as set out in this Annual Report.

The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group. The Internal Auditors ("IA") are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.

To ensure that the responsibilities of IA are fully discharged, the AC had evaluated the performance of the IA for the FYE 2021. The AC concluded its assessment that the IA has sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Company and its subsidiaries.

The details of the internal audit function and activities are set out in the AC Report of this Annual Report.

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

PART I - COMMUNICATION WITH STAKEHOLDERS

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements. Shareholders will receive regular communication from the Company through the release of announcements, quarterly reports, annual reports and circulars to Bursa Securities.

The Company's corporate website at www.technodex.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events, announcements to Bursa Securities relating to the Group.

The Board has also created an investor relation section on the Company's corporate website at www.technodex.com for information on corporate, financial, corporate governance and stock prices, which is accessible to the public.

The Board has formalised and adopted a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group to regulators, shareholders and stakeholders.

PART II - CONDUCT OF GENERAL MEETINGS

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders' communication. These include the supply of comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

The AGM remains as a principal forum used by the Group for communication with its shareholders. The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

The notice of AGM is given to shareholders at least 28 days before the AGM to allow shareholders sufficient time to read through the Annual Report and make the necessary attendance and voting arrangements. The Notice for the Seventeenth AGM of the Company which is scheduled to be held on 15 December 2021 was sent to the shareholders on 29 October 2021, which is more than 28 days before the date of AGM.

Given the coronavirus disease (COVID-19) outbreak in Malaysia, the Board has decided to hold the forthcoming AGM on a fully virtual basis and entirely via remote participation and electronic voting.

This allows the shareholders to participate in the forthcoming AGM while at the same time, follow the health guidance issued by the Government of Malaysia of not having a mass gathering and practicing social distancing to curb the spread of COVID-19. The conduct of meetings by way of fully virtual is also strongly encouraged by the Securities Commission Malaysia.

Shareholders can attend, speak (including posing questions to the Company/Board of Directors) and vote remotely at the forthcoming AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Share Registrar of the Company in hard copy or by electronic means.

For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form. Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

The Company has in all material aspects satisfactory complied with the principles and practices set out in the Code, except for the departures set out in the Corporate Governance Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors ("the Board") of Technodex Bhd ("TDex" or "the Company") is committed towards maintaining a sound system of internal control and risk management and is pleased to provide this Statement on Risk Management and Internal Control ("this Statement") which outlines the scope and nature of internal controls and risk management of TDex and its subsidiaries ("the Group") for the financial year ended 30 June 2021.

For the purpose of disclosure, this Statement is prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

Responsibility for Risk Management and Internal Control

The Board recognises the importance of risk management and risk-based internal audit to establish and maintain a sound system of risk management and internal control. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any system of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

The Board has received assurance from the Executive Directors that the Group's risk management and internal control have operated adequately and effectively in all material aspects, based on the risk management and internal control system of the Group during the financial year under review.

Risk Management Framework

The Board regards the Management of core risks is an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enable the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group's objectives.

Internal Control System

The Key Elements of the Group's Internal Control System includes:

a. Clearly defined Terms of Reference of the Board Committee, i.e. Audit Committee, Nomination and Remuneration Committee.
b. Organisational structure with clearly defined lines of responsibility, authority and accountability.
c. Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements.
d. Clearly defined authorisation limits at appropriate levels are set out for controlling and approving capital expenditure and expenses.
e. Clearly defined Internal Policies, Standard Operating Procedures and Personnel Manual as the key framework for good internal control practices.
f. Regular Management and Operation meetings were conducted to ensure activities and risk mitigation actions were executed as proposed.
g. Key information covering financial performance and key business aspects are provided to the Senior Management and Board of Directors on a regular and timely basis.
h. There has been active participation by the Executive Directors in the day-to-day running of business operations and regular dialogue and reporting to the Board of Directors.

Internal Audit Function

The Board acknowledges the importance of the internal audit function. The Board has outsourced its internal audit function to an independent professional consulting firm as part of its efforts to provide adequate and effective internal control systems. The internal audit function is carried out in accordance with the internal audit plan as reviewed by the Audit Committee. The internal audit function adopts accepted auditing practices in addition to independent and objective reporting on the state of the Group's internal control system.

During the financial year under review, the outsourced Internal Auditors reviewed critical business processes, identifying risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the key subsidiary and recommended possible improvements to the internal control systems. This is to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group. The Board continuously takes measures to strengthen the control environment.

In the financial year under review, there were no material losses, incurred as a result of weaknesses in the internal control system that would require disclosure in this Annual Report. The Board will continue to improve and enhance the existing system risk management and internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

The total cost incurred for the internal audit function was RM14,000 for the financial year ended 30 June 2021.

Review of Statement by External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board is of the view that the risk management and internal control system is sound and adequate to safeguard the Group's operations and assets at the existing level of operations of the Group. No material weakness and/or reported shortfall in the risk management and internal control system has resulted and/or give rise to any material loss, contingency and/or uncertainty during the financial year under review.

This statement is made in accordance with the resolution of the Board dated 20 October 2021.

AUDIT COMMITTEE REPORT

OBJECTIVE OF THE AUDIT COMMITTEE

The principal objective of the Audit Committee is to assist the Board of Directors ("the Board") of Technodex Bhd ("TDex" or "the Company") in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management framework, management and financial reporting practices of the Company and its subsidiaries ("the Group") and to ensure proper disclosure to the shareholders of the Company.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of them being Independent Non-Executive Directors:-

Name	Designation
Saifulrizam Bin Zainal, Chairman	Independent Non-Executive Director
Steven Wong Chin Fung, Member	Independent Non-Executive Director
Datuk Abd Hamid Bin Abu Bakar, Member	Independent Non-Executive Director

The authorities and duties of the Audit Committee are clearly governed by its Terms of Reference. The Terms of Reference of the Audit Committee is available at the corporate website of the Company at www.technodex.com.

During the financial year under review, the Audit Committee convened four (4) meetings and the attendance of each Audit Committee member is as follows:

Name	Attendance
Saifulrizam Bin Zainal, Chairman	4/4
Steven Wong Chin Fung, Member	4/4
Datuk Abd Hamid Bin Abu Bakar, Member	3/4

SUMMARY OF WORKS DURING THE FINANCIAL YEAR

The following is a summary of the works carried out by the Audit Committee during the financial year under review:

i. In overseeing the Company's financial reporting, reviewed the unaudited quarterly financial results and annual audited financial statements of the Group and the Company including the announcements pertaining thereto before recommending to the Board for approval and release of the Group's results to Bursa Securities.

ii. Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for the financial year ended 30 June 2021 before the audit commences to ensure the scope of the external audit is comprehensive.

iii. Reviewed with External Auditors, the Audit Status Report upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the Audit Committee.

iv. Considered and recommended the re-appointment of CAS Malaysia PLT as External Auditors of the Company at the 16th Annual General Meeting to the Board for consideration based on the competency, efficiency and independence of the External Auditors.

v. Evaluated the performance of the External Auditors and made a recommendation to the Board on their re-appointment and fees/remuneration.

vi. Reviewed the reports for the internal audit function and considered the findings of internal audit investigations and the Management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors.

vii. Evaluated the performance of the Internal Auditors.

viii. Reviewed if there were any related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

ix. Reviewed the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control as well to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.

x. Reviewed and assessed the performance of the Audit Committee collectively and table the Audit Committee self-evaluation form for the Nomination and Remuneration Committee's evaluation.

INTERNAL CONTROL REVIEW AND INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to Vaersa Advisory Sdn. Bhd., an independent professional services firm, to conduct an independent review of the Group's systems of internal control.

The internal audit assignment is led by Mr. Quincy Gan Hoong Huat, the Executive Director of Vaersa Advisory Sdn Bhd. The internal audit review is staffed by 3 internal audit personnel including the Senior individual. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.

The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.

The works carried out by the Internal Auditors of the Group during the financial year under review were as summarised below:-

i. Conducted internal audit on the adequacy and effectiveness of the internal control system on Enterprise Risk Management and Human Resources Management.

ii. Presentation of the internal audit findings at Audit Committee meeting. The results of the audit together with the Management's response and proposed action plans were reviewed by the Audit Committee.

The internal audit reviews did not reveal any weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

The Audit Committee was satisfied with the competency, experience and resources of the internal audit function for discharging its role and responsibilities.

The fees incurred during the financial year ended 30 June 2021 in relation to the internal audit function were RM14,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("the Board") is required by the Companies Act 2016 to ensure that the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group") at the end of the financial year and to the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors are responsible for ensuring that the Group and the Company have maintained accounting records which disclose with reasonable accuracy, the financial position of the Group and of the Company, which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2021, the Group and the Company have used the appropriate accounting policies and consistently applied and supported by reasonable prudent judgement and estimates, that measures have been taken to ensure that accounting records are properly kept in accordance with the law and that the preparation of the financial statements is on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

SUSTAINABILITY STATEMENT

Technodex Bhd. ("TDex" or "Company") is committed in delivering long-term sustainable values with a view to develop and maintain a successful business for all stakeholders, including shareholders, employees and among others, our customers and suppliers.

Aside from ensuring the long-term profitability of our core business, our sustainability initiatives are focused on the workplace, marketplace, environment and the community.

Marketplace – Customers' Satisfaction

The Company and its subsidiaries ("the Group") are committed to see that not only our shareholders' interests are taken care of but also our stakeholders who are customers and suppliers. It is fundamental to our Group that all products and services are delivered to customers with the required quality that meets or exceeds the customers' expectations. The Group also gathers customers' feedbacks during the course of conducting our business operations. These also promote a culture of open communication, trust and reliability.

Environment

The Group does not operate in an environmentally sensitive business, but we recognise our duty to be mindful of the environment we live in and minimize our carbon footprint to the environment.

We have identified opportunities to reduce or reuse the resources we consume as we believe in that efficiency of reuse of resources. These steps including reducing our energy consumption through switching off unused lights and air conditioning and our paper management initiative to print only when necessary and where possible, recycling of used printed paper. Instead of discarding unwanted documents, we sent these documents for secure shredding after which the shredder papers are sent to be recycled into other paper-based products.

Community care

The Group understands that a responsible organization should not neglect its social obligation towards the community that the well-being of the community has a significant bearing on the long-term sustainability and progression of our business. We have constant engagement with universities by providing internships for university students in our Group. We will convey a long-term value to the community by being the region's most impactful corporate citizen.

Workplace

Our dedicated employees are important to the effective functioning of all the departments within the Group as human capital is pivotal to the Group's continuing success. The safety and well-being of our employees remain an important aspect of our overall strategy. We encourage internal activities for the employees to ensure that our working place is a happy place and employees' motivation is consistently high and well maintained.

We strive to upgrade our employees' skills and knowledge by conducting training sessions, both internally and externally. The training programs aim to equip our employees with key skills to support their career goals and improving work productivity.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

Placement up to 10% of the Total Number of Issued Shares of Technodex Bhd. ("Private Placement")

The Company had placed out 40,000,000 new ordinary shares via the Private Placement which raised total proceeds of RM8.12 million. The details of utilisation of proceeds are as follows:-

Details of Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM' 000)	Balance Utilisation (RM'000)
Information Technology contracts and orders	7,820.00	2,450.00	5,370.00
Expenses for the Private Placement	300.00	121.00	179.00
TOTAL	**8,120.00**	**2,571.00**	**5,549.00**

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/ payable to the External Auditors by the Company and the Group for the financial year ended 30 June 2021 are as follows:-

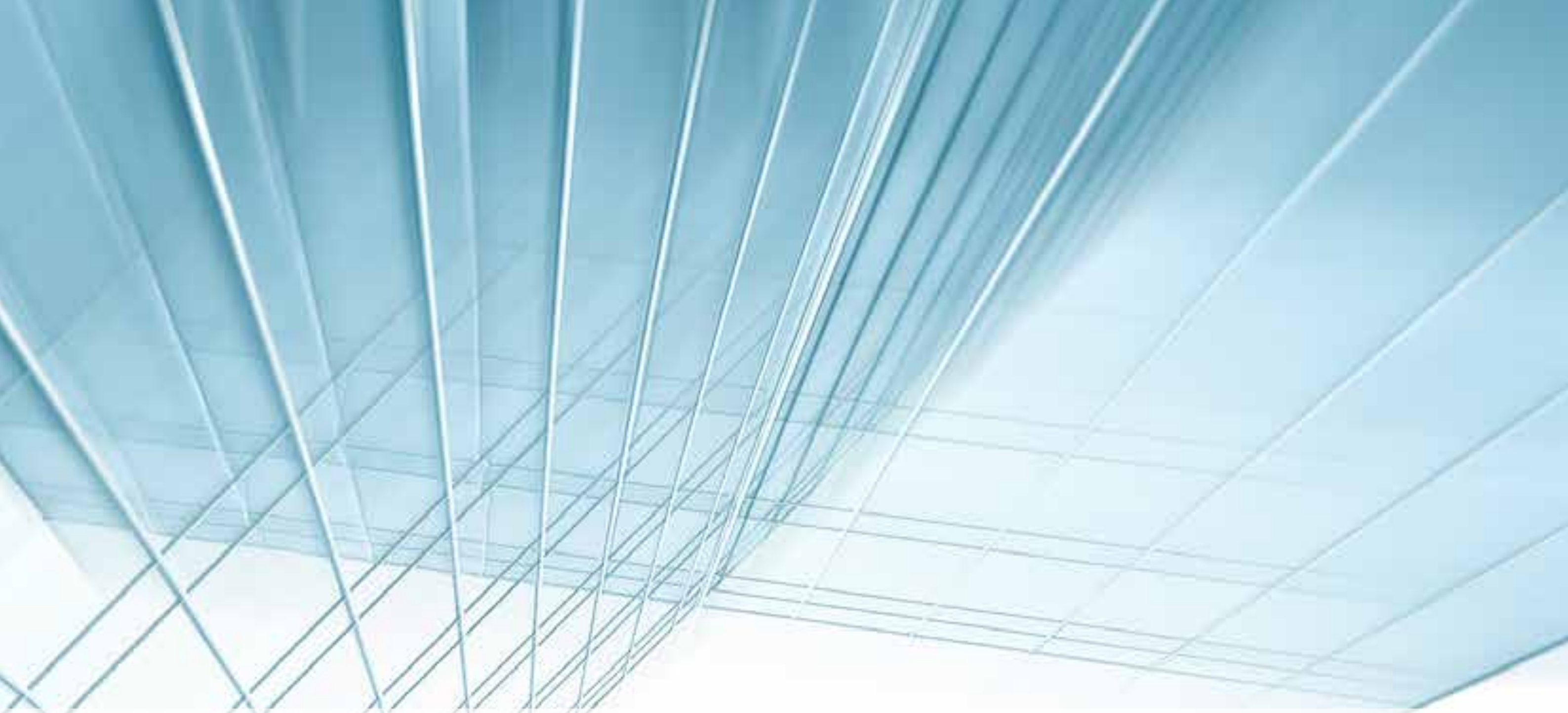
	Company RM	Group RM
Audit Fee	42,000	126,000
Non - Audit Fee	6,000	6,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the Directors and major shareholders' interest during the financial year ended 30 June 2021.

4. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

The details of the RRPTs occurred during the financial year ended 30 June 2021 are disclosed in Note 30 to the Financial Statements for the financial year ended 30 June 2021 set out on page 107 of this Annual Report.



REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the investment holding and provision of information technology products and related services, and carrying out relevant research and development activities.

The information on the name, place of incorporation, principal activities and percentage of effective equity interest held by the Company in each subsidiary are disclosed in Note 8 to the financial statements.

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

FINANCIAL RESULTS

	Group 2021 RM	Company 2021 RM
Loss for the financial year, net of tax		
- Continuing operation	(4,794,726)	(2,393,282)
- Discontinued operation	(426,782)	-
	(5,221,508)	(2,393,282)
- Attributable to:		
Owners of the Company	(4,972,802)	(2,393,282)
Non-controlling interests	(248,706)	-
	(5,221,508)	(2,393,282)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared during the financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the ordinary share capital of the Company was increased from 767,087,723 units to 807,087,723 units by way of issuance of new ordinary shares pursuant to the following:

(i) private placement of 40,000,000 units new ordinary shares of RM0.2030 each.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issue of shares during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

YTM Dato'Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah (Appointed on 26 October 2020)

Peh Lian Hwa (Appointed on 26 October 2020)

Steven Wong Chin Fung

Tan Sze Chong

Tan Boon Wooi

Saifulrizam bin Zainal

Datuk Abd Hamid bin Abu Bakar

Heng Ling Jy (f)

The names of the directors of the subsidiaries of the Company during the financial year and the period from the end of the financial year to the date of this report, not including those directors listed above are:

Kavin Ch'ng Kim Swee (Striked off on 4 December 2020)

Tan Chin Siong (Striked off on 4 December 2020)

Thor Joe Hock (Disposed on 30 November 2020)

Peh Yueh Han (Appointed on 15 October 2020)

Mohammad Azizuddin Bin Shahruddin (Appointed on 25 August 2021)

Jithin Vijayan Geetha (Appointed on 25 August 2021)

Shameer Thaha (Appointed on 25 August 2021)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year were as follows:

	Number of Ordinary Shares			
Shareholdings in the name of directors	Date of appointment/ As at 01.07.2020	Acquired	Sold	As at 30.06.2021
Direct interest				
YTM Dato'Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah	23,000,000	11,600,000	-	34,600,000
Peh Lian Hwa	108,741,700	28,740,900	-	137,482,600
Tan Sze Chong	24,029,066	-	-	24,029,066
Tan Boon Wooi	33,065,000	-	-	33,065,000
Heng Ling Jy (f)	8,766,666	-	-	8,766,666
Indirect interest				
Tan Sze Chong#	8,766,666	-	-	8,766,666
Heng Ling Jy (f)*	24,029,066	-	-	24,029,066

 # Deemed interested by virtue of his spouse, Heng Ling Jy's shareholdings in the Company.

** Deemed interested by virtue of her spouse, Tan Sze Chong's shareholdings in the Company.*

By virtue of their interest in the shares of the Company, the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, the other directors in office at the end of the financial year did not have any interest in the shares and warrants of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors or past directors of the Group and of the Company during the financial year are disclosed in Note 29 to the financial statements.

None of the directors or past directors of the Group and of the Company have received any other benefits otherwise than in cash from the Group and the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

Total amount of indemnity given to or insurance premium paid for the directors and officers of the Company is RM14,000 per annum.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the 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 body corporate.

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 29 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 in which the director has a substantial financial interest.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Significant event during and subsequent to the financial year is disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 25 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 20 October 2021.

TAN SZE CHONG
Director

HENG LING JY (f)
Director

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

We, TAN SZE CHONG and HENG LING JY (f), being two of the directors of TECHNODEX BHD., do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 47 to 117 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 30 June 2021 and of its 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 directors dated 20 October 2021.

TAN SZE CHONG
Director

HENG LING JY (f)
Director

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

I, TAN SZE CHONG, being the director primarily responsible for the accounting records and financial management of TECHNODEX BHD., do solemnly and sincerely declare that the accompanying financial statements set out on pages 47 to 117 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
TAN SZE CHONG
at Puchong in the state of Selangor Darul Ehsan
on 20 October 2021

TAN SZE CHONG

Before me,
TAN KAI YONG
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNODEX BHD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Technodex Bhd., which comprise the statements of financial position as at 30 June 2021 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 117.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

KEY AUDIT MATTERS

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

Key audit matters	How our audit addressed the key audit matters
(a) Impairment assessment of intangible assets	
Refer to Note 3.7, 4.2.2 and 7 to the financial statements. As at 30 June 2021, the net carrying amount of intangible assets of the Group a amounted to RM3,361,554, which representing for approximately 7% of the Group's total assets. We focused on this area and considered intangible assets as key audit matter as the determination of recoverable amounts of cash-generating-units ("CGUs") based on value-in-use calculations by management involved a significant degree of judgements and assumptions.	We performed the following audit procedures on the value in use ("VIU") calculation which was based on the approved financial budget for 2022 and intangible asset's discounted cash flow projections in accordance with the useful life. (i) enquired management on latest development and status of the intangible assets; (ii) evaluated management's assessment on whether there were any indicators of impairment of intangible assets; (iii) evaluated the appropriateness of the Group's judgements regarding identification of CGUs for impairment assessment; (iv) assessed the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management;

KEY AUDIT MATTERS (continued)

Key audit matters (cont'd)	*How our audit addressed the key audit matters (cont'd)*
(a) Impairment assessment of intangible assets (continued)	
	(v) assessed the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon; (vi) performed sensitivity analysis to assess the impact on the recoverable amount of the CGUs; and (vii) reviewed the adequacy of disclosure in the financial statements.
(b) Impairment assessment of investment in subsidiary companies	
Refer to Note 3.7, 4.2.4 and 8 to the financial statements. As at 30 June 2021, the net carrying amount of investment in subsidiary companies of the Company amounted to RM29,426,116, which representing for approximately 55% of the Company's total assets. We focused on this area and considered impairment on investment in subsidiary companies as key audit matter as the determination of recoverable amounts of subsidiaries based on value-in-use calculations by management involved a significant degree of judgements and assumptions.	(i) enquired management on latest development and status of the subsidiary companies; (ii) assessed the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management; (iii) assessed the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon; and (iv) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.
(c) Impairment assessment of goodwill	
Refer to Note 3.7, 4.2.3 and 9 to the financial statements. As at 30 June 2021, the net carrying amount of goodwill of the Group amounted to RM2,193,792, which representing for approximately 4% of the Group's total assets. We focused on this area and considered impairment on goodwill as key audit matter as the determination of recoverable amounts of cash-generating-units ("CGUs") based on value-in-use calculations by management involved a significant degree of judgements and assumptions.	(i) evaluated the appropriateness of the Group's judgements regarding identification of CGUs for impairment assessment; (ii) assessed the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management; (iii) assessed the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon; (iv) performed sensitivity analysis to assess the impact on the recoverable amount of the CGUs; and (v) reviewed the adequacy of disclosure in the financial statements.

KEY AUDIT MATTERS (continued)

(d) Impairment assessment of trade and lease receivables	
Refer to Note 3.11, 4.2.5, 6.3 and 11 to the financial statements. Trade and lease receivables of the Group amounting to RM17,005,717 are significant to the Group as these represent approximately 35% of the total assets. The key associated risk is the recoverability of the invoiced trade and lease receivables as the recoverability of these receivables required management judgement in determining the adequacy of the impairment loss associated with each individual trade and lease receivable.	Our audit procedures included: (i) circularisation of receivables for confirmation of balances; (ii) reviewed the lease agreement with the receivable; (iii) reviewed the lease repayments received in accordance with the schedule up to the date of signing of the audited financial statements; (iv) reviewed ageing of trade receivables and check for adequacy of allowance for impairment; (v) evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; (vi) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period and recoverability of outstanding trade receivables; (vii) assessed the reasonableness of the Group's expected credit loss ("ECL") model by reviewing the probability of default using historical data and forward- looking information adjustment applied by the Group; (viii) identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; (ix) made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and (x) evaluated the adequacy of the Group's disclosure for trade and lease receivables.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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:

(a) 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(d) 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.

(e) 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.

(f) 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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

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

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

OTHER MATTERS

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.

CAS MALAYSIA PLT
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN
[No. 02453/07/2023(J)]
Chartered Accountant

Date: 20 October 2021

Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	784,498	869,587	381,563	445,432
Right-of-use assets	6.1	943,404	1,777,266	678,164	1,211,583
Intangible assets	7	3,361,554	8,876,772	-	2,000,670
Investment in subsidiary companies	8	-	-	29,426,116	27,301,176
Goodwill on consolidation	9	2,193,792	2,193,792	-	-
Lease receivables	6.3	1,878,787	7,291,519	-	-
		9,162,035	21,008,936	30,485,843	30,958,861
CURRENT ASSETS					
Inventories	10	4,371,781	3,571,442	-	-
Lease receivables	6.3	5,412,732	5,113,275	-	-
Trade receivables	11	9,714,198	13,852,427	805,793	1,016,420
Other receivables	12	1,443,405	2,074,615	116,168	108,781
Amount due from subsidiary companies	13	-	-	7,063,627	9,732,401
Tax recoverable		271,308	309,756	10,304	10,304
Fixed deposits with licensed banks	14	17,264,256	8,415,574	13,850,505	6,059,158
Cash and bank balances		1,344,031	843,138	745,809	224,789
		39,821,711	34,180,227	22,592,206	17,151,853
TOTAL ASSETS		**48,983,746**	**55,189,163**	**53,078,049**	**48,110,714**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital and reserves	15	54,857,018	46,737,018	54,857,018	46,737,018
Accumulated losses	16	(21,378,396)	(16,424,384)	(2,795,280)	(401,998)
Total equity attributable to owners of the Company		33,478,622	30,312,634	52,061,738	46,335,020
Non-controlling interest	8	22,791	(943,804)	-	-
TOTAL EQUITY		**33,501,413**	**29,368,830**	**52,061,738**	**46,335,020**
NON-CURRENT LIABILITIES					
Lease liabilities	6.2	2,853,155	8,676,848	357,613	955,260
Deferred income	18	22,770	113,850	-	-
Deferred taxation	19	10,628	19,583	-	-
		2,886,553	8,810,281	357,613	955,260
CURRENT LIABILITIES					
Trade payables	20	2,398,865	4,113,336	-	-
Other payables	20	1,876,533	2,838,559	317,604	360,201
Amount due to subsidiary companies	13	-	-	16,027	156,898
Loan and borrowings	17	2,613,467	4,595,939	-	-
Lease liabilities	6.2	5,572,111	5,371,130	325,067	303,335
Deferred income	18	91,080	91,080	-	-
Tax payables		43,724	8	-	-
		12,595,780	17,010,052	658,698	820,434
TOTAL LIABILITIES		15,482,333	25,820,333	1,016,311	1,775,694
TOTAL EQUITY AND LIABILITIES		**48,983,746**	**55,189,163**	**53,078,049**	**48,110,714**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group 2021 RM	Group 2020 RM (Restated)	Company 2021 RM	Company 2020 RM
Continuing operations					
Revenue	22	58,813,255	53,220,031	1,264,381	1,064,400
Less: Cost of sales	23	(53,660,239)	(48,127,946)	-	-
GROSS PROFIT		5,153,016	5,092,085	1,264,381	1,064,400
Add: Other operating income		3,312,985	842,400	4,848,887	723,944
Less: Employment benefits		(2,937,394)	(3,094,816)	(728,464)	(416,605)
Less: Key management personnel's remuneration	29	(1,839,569)	(1,448,700)	(1,164,965)	(879,734)
Less: Depreciation and amortisation		(3,152,185)	(4,358,804)	(1,079,401)	(1,290,050)
Less: Other expenses		(4,858,231)	(6,197,568)	(5,481,135)	(874,449)
LOSS FROM OPERATIONS		(4,321,378)	(9,165,403)	(2,340,697)	(1,672,494)
Less: Finance costs	24	(266,075)	(444,197)	(52,585)	(68,591)
LOSS BEFORE TAXATION	25	(4,587,453)	(9,609,600)	(2,393,282)	(1,741,085)
Less: Taxation	26	(207,273)	(62,071)	-	-
Loss for the financial year from continuing operations		(4,794,726)	(9,671,671)	(2,393,282)	(1,741,085)
Loss for the financial year from discontinued operation, net of tax	27	(426,782)	(651,841)	-	-
LOSS AFTER TAXATION		(5,221,508)	(10,323,512)	(2,393,282)	(1,741,085)
Other comprehensive income:					
Other comprehensive income for the financial year/period, net of tax		-	-	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR, NET OF TAX		(5,221,508)	(10,323,512)	(2,393,282)	(1,741,085)
LOSS AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		(4,972,802)	(9,974,630)		
- From continuing operations		(4,546,020)	(9,322,789)		
- From discontinued operations		(426,782)	(651,841)		
Non-controlling interest	8	(248,706)	(348,882)		
		(5,221,508)	(10,323,512)		
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR, NET OF TAX ATTRIBUTABLE TO:					
Owners of the Company		(4,972,802)	(9,974,630)		
- From continuing operations		(4,546,020)	(9,322,789)		
- From discontinued operations		(426,782)	(651,841)		
Non-controlling interest	8	(248,706)	(348,882)		
		(5,221,508)	(10,323,512)		
Basic loss per share attributable to owners of the Company (sen)	28	(0.64)	(1.60)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Attributable to owners of the Company				
		Non-distributable				
Group	Note	Share Capital RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Balance as at 1 July 2020		46,737,018	(16,424,384)	30,312,634	(943,804)	29,368,830
Contribution by Owners of the Compan - Issuance of shares	15	8,120,000	-	8,120,000	-	8,120,000
Changes in ownership interests in subsidiaries		-	18,790	18,790	1,215,301	1,234,091
Loss and total comprehensive expense for the financial year	16	-	(4,972,802)	(4,972,802)	(248,706)	(5,221,508)
Balance as at 30 June 2021		**54,857,018**	**(21,378,396)**	**33,478,622**	**22,791**	**33,501,413**

		Attributable to owners of the Company					
		Non-distributable					
Group	Note	Share Capital RM	Capital Reduction Reserves RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Balance as at 1 July 2019		40,862,820	1,339,087	(7,788,841)	34,413,066	(594,922)	33,818,144
Contribution by Owners of the Company - Issuance of shares	15	5,874,198	-	-	5,874,198	-	5,874,198
Utilisation of capital reduction credit: - to write off current financial year losses		-	(1,339,087)	1,339,087	-	-	-
Loss and total comprehensive expense for the financial year	16	-	-	(9,974,630)	(9,974,630)	(348,882)	(10,323,512)
Balance as at 30 June 2020		**46,737,018**	**-**	**(16,424,384)**	**30,312,634**	**(943,804)**	**29,368,830**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company	Note	Attributable to owners of the Company			
		Non-distributable			
		Share Capital RM	Capital Reduction Reserves RM	Accumulated Losses RM	Total Equity RM
Balance as at 1 July 2020		46,737,018	-	(401,998)	46,335,020
Contribution by Owners of the Company - Issuance of shares	15	8,120,000	-	-	8,120,000
Loss and total comprehensive expense for the financial year	16	-	-	(2,393,282)	(2,393,282)
Balance as at 30 June 2021		**54,857,018**	**-**	**(2,795,280)**	**52,061,738**
Balance as at 1 July 2019		40,862,820	1,339,087	-	42,201,907
Contribution by Owners of the Company - Issuance of shares	15	5,874,198	-	-	5,874,198
Utilisation of capital reduction credit: - to write off current financial year losses		-	(1,339,087)	1,339,087	-
Loss and total comprehensive expense for the financial year	16	-	-	(1,741,085)	(1,741,085)
Balance as at 30 June 2020		**46,737,018**	**-**	**(401,998)**	**46,335,020**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation:					
- Continuing operation		(4,587,453)	(9,609,600)	(2,393,282)	(1,741,085)
- Discontinued operation		(426,782)	(651,841)	-	-
		(5,014,235)	(10,261,441)	(2,393,282)	(1,741,085)
Adjustments for:					
Amortisation					
Intangible assets	7, 27	2,485,072	3,914,179	666,890	889,186
Depreciation					
Property, plant and equipment	5, 27	165,032	150,539	80,579	78,634
Right-of-use assets	6.1	661,404	657,778	331,932	322,230
Impairment loss					
Amount due from subsidiary	13	-	-	77,601	-
Investment in a subsidiary	8	-	-	1,075,158	-
Intangibles assets	7	-	2,069,904	-	-
Trade receivables	11	606,392	144,050	163,080	-
Other receivables	12	-	244,050	-	-
Bad debts written off					
Other receivables	25	7,973	235,000	-	-
Amount due from a subsidiary company	25	-	-	1,888,552	42,000
Reversal of impairment on amount due from a subsidiary company	13	-	-	(999,998)	-
Finance cost					
Bank overdraft interest	24	197,325	339,468	-	-
Lease liabilities interest	23,24	653,392	748,594	52,585	68,591
Interest income	25	(151,679)	(165,398)	(419,065)	-
Finance lease income	22	(565,729)	(842,306)	-	-
Gain on disposal of					
Property, plant and equipment	25	-	(4,246)	-	-
Right-of-use assets	25	-	(1,119)	-	-
Subsidiary	25	(2,552,163)	-	(2,969,979)	-
Gain on adjustment made for recognition of lease receivables	25	-	(386,961)	-	-
Gain on derecognition of lease	25	(69,717)	-	(69,717)	-
Intangible assets written off	7	2,011,568	-	1,333,780	-
Inventory written off	10	266,717	-	-	-
Property, plant and equipment written off	25	-	195	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating loss before working capital changes		(1,298,648)	(3,157,714)	(1,181,884)	(340,444)
Increase in inventories		(1,067,056)	(1,300,322)	-	-
Decrease/(Increase) in receivables		1,944,038	(3,018,855)	40,160	(234,575)
Increase/(decrease) in payables		1,191,062	3,245,319	(42,597)	(94,812)
(Decrease)/Increase in deferred income		(27,670)	204,930	-	-
Cash generate from/(used in) operations		741,726	(4,026,642)	(1,184,321)	(669,831)
Interest received		151,679	165,398	419,065	-
Interest paid		(197,325)	(339,468)	-	-
Income tax refund		114,650	-	-	-
Income tax paid		(248,712)	(140,931)	-	(2,850)
Net cash generated from/(used in) operating activities		**562,018**	**(4,341,643)**	**(765,256)**	**(672,681)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in fixed deposits with maturity of more than 3 months		(6,923,893)	3,012,255	(4,740,842)	3,080,248
Fixed deposit placed as security value		(44,467)	(4,030)	-	-
Additional investment in subsidiary companies		-	-	(3,450,098)	-
Repayment of lease receivables		5,679,004	4,562,639	-	-
Proceed from sale of subsidiary		3,140,531	-	3,219,979	-
Proceed from sale of property, plant and equipment		-	12,075	-	-
Addition of intangible assets		(52,654)	(1,049,817)	-	-
Addition of right-of-use asset	6	(1,880)	-	(1,880)	-
Purchase of property, plant and equipment	5	(82,922)	(133,390)	(16,710)	(16,650)
Net cash generated from/(used in) investing activities		**1,713,719**	**6,399,732**	**(4,989,551)**	**3,063,598**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares	15	8,120,000	5,874,198	8,120,000	5,874,198
Repayment of lease liabilities	6.2	(6,032,050)	(4,773,950)	(355,416)	(330,696)
Repayment from/(Advance to) subsidiary companies		-	-	1,561,748	(4,299,945)
Repayment to directors		-	(9,336)	-	-
Net cash generated from financing activities		2,087,950	1,090,912	9,326,332	1,243,557
Net increase in cash and cash equivalents		4,363,687	3,149,001	3,571,525	3,634,474
Cash and cash equivalents as at beginning of the financial year		1,248,265	(1,900,736)	5,224,789	1,590,315
Cash and cash equivalents as at end of the financial year		**5,611,952**	**1,248,265**	**8,796,314**	**5,224,789**
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks	14	17,264,256	8,415,574	13,850,505	6,059,158
Cash and bank balances		1,344,031	843,138	745,809	224,789
		18,608,287	9,258,712	14,596,314	6,283,947
Fixed deposits with maturity of more than 3 months	14	(7,979,460)	(1,059,158)	(5,800,000)	(1,059,158)
Bank overdraft	17	(2,613,467)	(4,595,939)	-	-
Deposits held as security value*	14	(2,403,408)	(2,355,350)	-	-
		5,611,952	**1,248,265**	**8,796,314**	**5,224,789**

* Included in deposits held as security value, there is fixed deposits with maturity of more than 3 months amounted to RM2,179,460 (30.06.2020: RM2,134,993).

The accompanying accounting policies and explanatory 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 is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Unit E-07-03, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 30 June 2021 do not include other entities.

The Company is principally engaged in the business of investment holding and providing information technology products and related services, and carrying out relevant research and development activities.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities 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 20 October 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 101	Presentation of Financial
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 16	Leases

Amendments to References to Conceptual Framework in MFRS Standards

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	

Amendments to Annual Improvements to MFRS Standards 2018-2020

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements

Effective date to be determined by Malaysian Accounting Standards Board

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

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The directors do not expect any material impact to the financial statements of the above pronouncements.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

2.6 Going concern

The Group's and the Company's management have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

All intercompany balances, income and expenses and unrealized gain or loss transactions between Group and subsidiary companies are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

The accounting policies for business combination and goodwill are disclosed in Note 3.3.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary 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. 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.

3.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Business combination and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statements of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other 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 fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred 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, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain 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 ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Depreciation on the property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Computer and software	20% - 40%
Electrical and equipment	20%
Furniture and fittings	10% - 20%
Machineries	14%
Motor vehicles	20%
Office equipment	10% - 20%
Tele-communication equipment	15%
Renovation	10% - 20%

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.7 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects relating to the design and testing of new or improved products or process are recognised as intangible assets if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the assets under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the assets under development.

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.7 on impairment of non-financial assets.

3.6 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives 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 is reviewed annually. 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 treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years commencing from the period when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Goodwill

Goodwill represents the excess of the consideration and the fair value of previously held interests over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash- generating units for the purpose of impairment testing. Goodwill on acquisition of joint ventures and associates is included as part of the cost of investments in joint ventures and associates. Such goodwill is tested for impairment as part of the overall net investment in each joint venture and associate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 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 such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or CGUs.

In assessing value in use, the estimated future cash flows expected to be generated by the assets 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 assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, 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. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are determined on the first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets

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

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

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. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure 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. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer 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.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.10.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("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 financial assets at amortised cost includes lease receivables, trade and other receivables, cash and bank, fixed deposits with licensed bank and amount due from subsidiary companies.

3.10.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company do not hold any debt instruments at FVOCI in the current and previous financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets (continued)

3.10.2 Financial assets at FVOCI (continued)

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by- investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company do not hold any equity instruments at FVOCI in the current and previous financial year.

3.10.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets categorised as fair value through profit or loss are measured in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group and the Company do not have any financial assets at FVTPL in the current and previous financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial assets (continued)

Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to other party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.11 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income. ECL 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 Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(a) Simplified approach for trade and lease receivables

For trade receivables and lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of financial assets (continued)

(a) Simplified approach for trade and lease receivables (continued)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements and;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade, lease and other receivables and amounts due from subsidiaries which are in default or credit-impaired are assessed individually.

Note 11 set out the measurement details of ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of financial assets (continued)

(b) General 3-stages approach for lease and other receivables and advances to subsidiaries

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Note 6.3, 12 and 13 set out the measurement details of ECL.

3.12 Share capital

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.13 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

3.13.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

(c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL in the current and previous financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial liabilities (continued)

3.13.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

3.13.3 Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:
(a) the amount of the loss allowance; and
(b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.14 Leases

3.14.1 Leases in which the Group is a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand- alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Leases (continued)

3.14.1 Leases in which the Group is a lessee (continued)

(a) Right-Of-Use Assets (continued)

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Building	21 - 59 months
Motor vehicles	20%
Computer and software	20% - 50%

(b) Lease Liabilities

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in- substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional one to three years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Leases (continued)

3.14.2 Leases in which the Group is a lessor

As a lessor, the Group and the Company determine whether a lease is finance lease or operating lease. The assessment are based on if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to them. Examples of indicators for finance lease are:-

(i) Ownership is transferred at the end of lease term;
(ii) Purchase option is offered at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable;
(iii) The lease term is for the major part of the economic life of the underlying asset;
(iv) The present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset;
(v) The underlying asset is of such a specialised nature that only the Group and the Company can use it.

Operating lease

Lease payment from operating lease are recognised as income by the Group and the Company on straight line basis over the lease term of the lease. Initial direct costs incurred in obtaining the assets that are leased out are included in the carrying amount of the underlying assets, and the subsequent costs incurred is recognised as expense for the period of earning the income. Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets.

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.16 Income tax

3.16.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Income tax (continued)

3.16.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17 Provisions

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

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

3.18 Revenue recognition and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measure at the fair value of consideration received or receivable.

3. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

3.18 Revenue recognition and other income (continued)

3.18.1 Sale of goods

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivables, net of discounts and taxes applicable to the revenue.

3.18.2 Services

Revenue from services is recognised at the point in time when the customer acceptance of the services or period of time as per stated in contract with customer which is generally at the time of delivery.

3.18.3 Management fees

Management fee is recognised on an accrual basis when service is rendered.

3.18.4 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

3.18.5 Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

3.19 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when:

(ii) the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and

(iii) the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell.

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

(ii) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re- presented as if the operation has been discontinued from the start of the comparative period.

3.21 Employee benefits

3.21.1 Short term employee benefits

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

3.21.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods. The contributions are charged as an expense in the financial period in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

3.22 Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end.

3.23 Foreign currency

3.23.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

3. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

3.23 Foreign currency (continued)

3.23.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services and the geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

3.25 Fair value measurement

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 by the Group and the Company.

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

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 based on the lowest level input that is significant to the fair value measurement as a whole.

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 the fair value measurement as a whole) at the financial year end.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associates of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

3.27 Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

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

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from convertible securities.

During the financial year, the Group and the Company do not have any convertible securities, therefore, no diluted earning per share is calculated.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

4.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, there were no critical judgements made by management on the amounts recognised in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group and the Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group and of the Company. Such changes are reflected in the assumptions when they occur.

4.2.1 Amortisation of intangible assets

The costs of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these intangible assets to be not exceeding 5 years begin from the period when the intangible assets are available for use. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future amortisation charges could be revised. The carrying amounts of the Group's and of the Company's intangible assets at the reporting date are disclosed in Note 7 to the financial statements.

4.2.2 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in- use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4.2.3 Impairment of goodwill

The Group and the Company perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the CGUs to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long- term sustainable cash flows, and reflect management's view of future performance.

4.2.4 Impairment of investment in subsidiaries

Investment in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment required the directors to make estimates of the recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount, which is higher of an asset's fair value less cost to sell and its value in use. The carrying amounts of investment in subsidiaries are disclosed in Note 8 to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.5 Provision for expected credit losses of trade and lease 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 geographical region, product type, customer type and rating).

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 manufacturing 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 and lease receivables is disclosed in Note 11 and Note 6.3.

4.2.6 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and of the Company are disclosed in Note 19.

4.2.7 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4.2.8 Determining the lease term of contracts with renewal options – the Group and the Company as lessee

The Group and the Company determine the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

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

The Group and the Company included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to two years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Computer and software RM	Electrical and equipment RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
2021									
At cost									
Balance as at 1 July 2020	655,646	45,735	366,263	350,500	100,000	242,554	30,049	459,094	2,249,841
Additions	54,730	-	21,202	-	-	6,990	-	-	82,922
Disposal of subsidiary (Note 8)	(7,150)	-	-	-	-	-	-	-	(7,150)
Disposal	-	-	-	-	(100,000)	-	-	-	(100,000)
Balance as at 30 June 2021	703,226	45,735	387,465	350,500	-	249,544	30,049	459,094	2,225,613
Less: Accumulated depreciation									
Balance as at 1 July 2020	538,706	9,910	94,546	233,083	100,000	144,807	30,017	111,768	1,262,837
Charge for the financial year	48,556	9,147	33,769	-	-	12,315	6	61,239	165,032
Disposal of subsidiary (Note 8)	(4,171)	-	-	-	-	-	-	-	(4,171)
Disposal	-	-	-	-	(100,000)	-	-	-	(100,000)
Balance as at 30 June 2021	583,091	19,057	128,315	233,083	-	157,122	30,023	173,007	1,323,698
Less: Accumulated impairment losses									
Balance as at 1 July 2020 / 30 June 2021	-	-	-	117,417	-	-	-	-	117,417
Net carrying amount									
Balance as at 30 June 2021	**120,135**	**26,678**	**259,150**	**-**	**-**	**92,422**	**26**	**286,087**	**784,498**

5. *PROPERTY, PLANT AND EQUIPMENT (continued)*

Group	Computer and software RM	Electrical and equipment RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment RM	Tele-communication equipment RM	Renovation RM	Total RM
As at 30.06.2020									
At cost									
Balance as at 1 July 2019, previously stated	1,095,548	51,695	363,527	350,500	706,386	235,177	30,049	388,444	3,221,326
Adjustment on initial adoption of MFRS 16	(437,032)	-	-	-	(606,386)	-	-	-	(1,043,418)
Balance as at 1 July 2019, restated	658,516	51,695	363,527	350,500	100,000	235,177	30,049	388,444	2,177,908
Additions	4,830	-	39,270	-	-	10,140	-	79,150	133,390
Disposal/written off	(7,700)	(5,960)	(36,534)	-	-	(2,763)	-	(8,500)	(61,457)
Balance as at 30 June 2020	655,646	45,735	366,263	350,500	100,000	242,554	30,049	459,094	2,249,841
Less: Accumulated depreciation									
Balance as at 1 July 2019, previously stated	640,424	862	72,288	233,083	274,261	134,156	30,009	58,586	1,443,669
Adjustment on initial adoption of MFRS 16	(145,677)	-	-	-	(174,261)	-	-	-	(319,938)
Balance as at 1 July 2019, restated	494,747	862	72,288	233,083	100,000	134,156	30,009	58,586	1,123,731
Charge for the financial year	45,985	9,048	30,119	-	-	12,197	8	53,182	150,539
Disposal/written off	(2,026)	-	(7,861)	-	-	(1,546)	-	-	(11,433)
Balance as at 30 June 2020	538,706	9,910	94,546	233,083	100,000	144,807	30,017	111,768	1,262,837
Less: Accumulated impairment losses									
Balance as at 1 July 2019	-	-	-	117,417	-	-	-	-	117,417
Charge for the financial year	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	-	-	-	117,417	-	-	-	-	117,417
Net carrying amount									
Balance as at 30 June 2020	**116,940**	**35,825**	**271,717**	**-**	**-**	**97,747**	**32**	**347,326**	**869,587**

5. *PROPERTY, PLANT AND EQUIPMENT (continued)*

Company	Computer and software RM	Electrical and equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
2021							
At cost							
Balance as at 1 July 2020	21,415	45,735	247,276	-	115,855	207,301	637,582
Additions	-	-	15,603	-	1,107	-	16,710
Balance as at 30 June 2021	21,415	45,735	262,879	-	116,962	207,301	654,292
Less: Accumulated depreciation							
Balance as at 1 July 2020	20,972	9,910	30,148	-	86,206	44,914	192,150
Charge for the financial year	157	9,147	26,433	-	3,382	41,460	80,579
Balance as at 30 June 2021	21,129	19,057	56,581	-	89,588	86,374	272,729
Net carrying amount							
Balance as at 30 June 2021	**286**	**26,678**	**206,298**	**-**	**27,374**	**120,927**	**381,563**
2020							
At cost							
Balance as at 1 July 2019	21,415	51,695	261,366	365,142	112,655	215,801	1,028,074
Adjustment on initial adoption of MFRS 16	-	-	-	(365,142)	-	-	(365,142)
Balance as at 1 July 2019, restated	21,415	51,695	261,366	-	112,655	215,801	662,932
Additions	-	-	13,450	-	3,200	-	16,650
Disposal/written off	-	(5,960)	(27,540)	-	-	(8,500)	(42,000)
Balance as at 30 June 2020	21,415	45,735	247,276	-	115,855	207,301	637,582
Less: Accumulated depreciation							
Balance as at 1 July 2019	20,290	862	6,348	24,343	82,420	3,596	137,859
Adjustment on initial adoption of MFRS 16	-	-	-	(24,343)	-	-	(24,343)
Balance as at 1 July 2019, restated	20,290	862	6,348	-	82,420	3,596	113,516
Charge for the financial year	682	9,048	23,800	-	3,786	41,318	78,634
Balance as at 30 June 2020	20,972	9,910	30,148	-	86,206	44,914	192,150
Net carrying amount							
Balance as at 30 June 2020	**443**	**35,825**	**217,128**	**-**	**29,649**	**162,387**	**445,432**

5. *PROPERTY, PLANT AND EQUIPMENT (continued)*

(i) The cost of fully depreciated property, plant and equipment that are still in used are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Computer and software	429,694	429,694	20,632	20,632
Furniture and fittings	59,175	56,125	3,750	3,750
Motor vehicles	100,000	100,000	-	-
Office equipment	127,093	127,453	82,157	82,157
Tele-communication equipment	29,999	29,999	-	-
Renovation	54,008	54,008	-	-
	799,969	**797,279**	**106,539**	**106,539**

(ii) Purchase of property, plant and equipment

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	82,922	133,390	16,710	16,650
Less: Amount financed through loan and borrowings	-	-	-	-
Cash disbursed for purchase of property, plant and equipment	**82,922**	**133,390**	**16,710**	**16,650**

6. LEASES

6.1 Right-of-use assets

The Group as lessee

	Computer and software RM	Motor vehicles RM	Buildings RM	Total RM
2021				
At cost				
Balance as at 1 July 2020	560,771	606,386	1,572,408	2,739,565
Addition	-	-	488,515	488,515
Disposal	-	-	(1,083,262)	(1,083,262)
Balance as at 30 June 2021	560,771	606,386	977,661	2,144,818
Less: Accumulated depreciation				
Balance as at 1 July 2020	268,565	295,539	398,195	962,299
Charge for the financial year	131,806	116,103	413,495	661,404
Disposal	-	-	(422,289)	(422,289)
Balance as at 30 June 2021	400,371	411,642	389,401	1,201,414
Net carrying amount				
Balance as at 30 June 2021	**160,400**	**194,744**	**588,260**	**943,404**
2020				
At cost				
Balance as at 1 July 2019	517,673	606,386	1,603,241	2,727,300
Addition	43,098	-	-	43,098
Disposal	-	-	(30,833)	(30,833)
Balance as at 30 June 2020	560,771	606,386	1,572,408	2,739,565
Less: Accumulated depreciation				
Balance as at 1 July 2019	145,677	174,261	-	319,938
Charge for the financial year	122,888	121,278	413,612	657,778
Disposal	-	-	(15,417)	(15,417)
Balance as at 30 June 2020	268,565	295,539	398,195	962,299
Net carrying amount				
Balance as at 30 June 2020	**292,206**	**310,847**	**1,174,213**	**1,777,266**

6. LEASES

6.1 Right-of-use assets

The Company as lessee

	Computer and software RM	Motor vehicles RM	Buildings RM	Total RM
2021				
At cost				
Balance as at 1 July 2020	109,752	365,142	1,083,262	1,558,156
Addition	-	-	459,486	459,486
Disposal	-	-	(1,083,262)	(1,083,262)
Balance as at 30 June 2021	109,752	365,142	459,486	934,380
Less: Accumulated depreciation				
Balance as at 1 July 2020	28,877	97,371	220,325	346,573
Charge for the financial year	37,794	73,028	221,110	331,932
Disposal	-	-	(422,289)	(422,289)
Balance as at 30 June 2021	66,671	170,399	19,146	256,216
Net carrying amount				
Balance as at 30 June 2021	**43,081**	**194,743**	**440,340**	**678,164**
2020				
At cost				
Balance as at 1 July 2019	70,521	365,142	1,083,262	1,518,925
Addition	39,231	-	-	39,231
Balance as at 30 June 2020	109,752	365,142	1,083,262	1,558,156
Less: Accumulated depreciation				
Balance as at 1 July 2019	-	24,343	-	24,343
Charge for the financial year	28,877	73,028	220,325	322,230
Balance as at 30 June 2020	28,877	97,371	220,325	346,573
Net carrying amount				
Balance as at 30 June 2020	**80,875**	**267,771**	**862,937**	**1,211,583**

6. *LEASES (continued)*

6.2 Lease liabilities

The Group as lessee

	Computer and software RM	Motor vehicles RM	Buildings RM	Total RM
Carrying amount				
Balance as at 1 July 2020	12,495,179	321,738	1,231,061	14,047,978
New leases entered into during the financial year	-	-	486,636	486,636
Lease agreement terminated during the financial year	-	-	(730,690)	(730,690)
Lease payments	(5,479,688)	(108,837)	(443,525)	(6,032,050)
Interest expense	592,672	9,720	51,000	653,392
Balance as at 30 June 2021	7,608,163	222,621	594,482	8,425,266
Carrying amount				
Balance as at 1 July 2019	288,243	417,120	1,603,241	2,308,604
New leases entered into during the financial year	15,781,265	-	-	15,781,265
Lease agreement terminated during the financial year	-	-	(16,535)	(16,535)
Lease payments	(4,237,433)	(108,837)	(427,680)	(4,773,950)
Interest expense	663,104	13,455	72,035	748,594
Balance as at 30 June 2020	12,495,179	321,738	1,231,061	14,047,978

The Company as lessee

	Computer and software RM	Motor vehicles RM	Buildings RM	Total RM
Carrying amount				
Balance as at 1 July 2020	82,389	264,422	911,784	1,258,595
New leases entered into during the financial year	-	-	457,606	457,606
Lease agreement terminated during the financial year	-	-	(730,690)	(730,690)
Lease payments	(44,435)	(73,620)	(237,361)	(355,416)
Interest expense	6,740	7,989	37,856	52,585
Balance as at 30 June 2021	44,694	198,791	439,195	682,680
Carrying amount				
Balance as at 1 July 2019	70,521	327,686	1,083,262	1,481,469
New leases entered into during the financial year	39,231	-	-	39,231
Lease payments	(34,896)	(73,620)	(222,180)	(330,696)
Interest expense	7,533	10,356	50,702	68,591
Balance as at 30 June 2020	82,389	264,422	911,784	1,258,595

6. *LEASES (continued)*

6.2 *Lease liabilities (continued)*

The Company as lessee (continued)

Represented by:

As lessee

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current liabilities				
Secured				
Lease liabilities	5,159,756	4,947,623	67,998	65,631
Unsecured				
Lease liabilities	412,355	423,507	257,069	237,704
	5,572,111	**5,371,130**	**325,067**	**303,335**
Non-current liabilities				
Secured				
Lease liabilities	2,626,335	7,760,219	130,793	179,971
Unsecured				
Lease liabilities	226,820	916,629	226,820	775,289
	2,853,155	**8,676,848**	**357,613**	**955,260**
Total lease liabilities				
Secured				
Lease liabilities	7,786,091	12,707,842	198,791	245,602
Unsecured				
Lease liabilities	639,175	1,340,136	483,889	1,012,993
	8,425,266	**14,047,978**	**682,680**	**1,258,595**

6. *LEASES (continued)*

6.2 *Lease liabilities (continued)*

As lessee (continued)

Rates of interest charged per annum:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Lease liabilities owing to financial institutions	5.1 - 6.6	5.1 - 6.6	-	-
Lease liabilities owing to non-financial institutions	3.36 - 7.70	3.36 - 7.95	3.41 - 7.70	3.41 - 7.70

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Minimum lease payment				
- Not later than one year	5,901,048	6,024,444	345,513	357,394
- Later than one year and not later than five years	2,903,827	9,089,897	366,392	1,018,495
	8,804,875	15,114,341	711,905	1,375,889
Future finance charges on lease liabilities	(379,609)	(1,066,363)	(29,225)	(117,294)
Present value of lease liabilities	**8,425,266**	**14,047,978**	**682,680**	**1,258,595**
Present value of lease liabilities is analysed as follows:				
Current liabilities				
- Not later than one year	5,572,111	5,371,130	325,067	303,335
Non-current liabilities				
- Later than one year and not later than five years	2,853,155	8,676,848	357,613	955,260
	8,425,266	**14,047,978**	**682,680**	**1,258,595**

6. LEASES (continued)

6.2 Lease liabilities (continued)

As lessee (continued)

(a) The Group and the Company have certain low value leases of computer and software with amount of RM20,000 and below. The Group and the Company apply the "lease of low- value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	Group	
	2021	2020
	RM	RM
Depreciation of right-of-use assets (included in other expenses)	661,404	657,778
Interest on lease liabilities (included in cost of sales and finance cost)	653,392	748,594
Expense relating to lease of low-value assets (included in other expenses)	14,020	31,692
	1,328,816	**1,438,064**

	Company	
	2021	2020
	RM	RM
Depreciation of right-of-use assets (included in other expenses)	331,932	322,230
Interest on lease liabilities (included in cost of sales and finance cost)	52,585	68,591
Expense relating to lease of low-value assets (included in other expenses)	10,906	10,832
	395,423	**401,653**

(c) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM6,032,050 (2020: RM4,773,950) and RM355,416 (2020: RM330,696) respectively.

6.3 Lease receivables

The Group as lessor

The Group has entered into lease agreements on certain computer and software for terms of between two to three years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.

As at the end of the reporting period, the future minimum lease receivables are as follows:

	2021	2020
	RM	RM
Less than one year	5,412,732	5,113,275
One to two years	1,878,787	5,412,732
Two to three years	-	1,878,787
	7,291,519	**12,404,794**

Based on the Group's historical collection experience, the amounts of lease receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net lease receivables.

7. INTANGIBLE ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At cost				
Balance as at beginning of the financial year	48,534,478	47,487,023	21,147,337	21,147,337
Additions	52,654	1,049,817	-	-
Disposal of subsidiary	(1,942,510)	-	-	-
Written off	(27,118,522)	(2,362)	(21,147,337)	-
Balance as at end of the financial year	19,526,100	48,534,478	-	21,147,337
Less: Accumulated amortisation				
Balance as at beginning of the financial year	35,868,676	31,954,497	19,146,667	18,257,481
Charge for the financial year	2,485,072	3,914,179	666,890	889,186
Disposal of subsidiary	(871,278)	-	-	-
Written off	(25,106,954)	-	(19,813,557)	-
Balance as at end of the financial year	12,375,516	35,868,676	-	19,146,667
Less: Accumulated impairment losses				
Balance as at beginning of the financial year	3,789,030	1,719,126	-	-
Charge for the financial year	-	2,069,904	-	-
Balance as at end of the financial year	3,789,030	3,789,030	-	-
Net carrying amount				
Balance as at end of the financial year	**3,361,554**	**8,876,772**	**-**	**2,000,670**

Intangible assets of the Group and of the Company relate to the SurfsTeK rSupport Intelligent Solutions, Vulnerability Assessment Penetration Tool and e-HR.

During the financial year, the Group has assessed the recoverable amounts of the intangible assets and determined that no impairment is required. Their recoverable amounts are determined using the value- in-use approach, and this is derived from the present value of the future cash flows from the customised software and hardware systems business computed based on the projections of financial budgets covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

(i) Budgeted gross margin — Gross margin is the forecasted margin as a percentage of revenue over the 5 year projection periods which were determined based on the expectations of market development and, adjusted for market and economic conditions, internal resource efficiency, where applicable.

(ii) Growth rate — Based on the expected projection of the customised software and hardware systems business.

(iii) Discount rate (pre-tax) — Risks adjusted discount rate relating to the relevant CGUs.

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021	2020
	RM	RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	27,820,926	27,820,926
Additions	3,450,098	-
Disposal	(250,000)	-
Balance as at end of the financial year	31,021,024	27,820,926
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	519,750	519,750
Impairment losses recognised during the financial year	1,075,158	-
Balance as at end of the financial year	1,594,908	519,750
Net carrying amount		
Balance as at end of the financial year	**29,426,116**	**27,301,176**

Company

The subsidiary companies, which are incorporated and with principle place of business in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest		Principal activities
	2021	2020	
Technodex Solutions Sdn. Bhd.^@	100%	100%	Providing information technology products and related services, and carrying out relevant research and development activities.
Mydata Advisory Sdn. Bhd.*	51%	-	Dormant
Idealseed Consultancy Services Sdn. Bhd.	100%	100%	Providing recruitment services and executive search.
MyProperty Data Sdn. Bhd.*	-	50%	Testing, inspection and consultancy services to the property and other industries.
SurfsteK Resources (R&D) Sdn. Bhd.^	100%	100%	Providing information and technology products and related services, and carrying out relevant research and development activities.
Idealseed Resources Sdn. Bhd.^**	98.42%	97%	Provision of information technology professional outsourcing services, information communication technology consultancy and information communication technology project management services.

Subsidiary company of Idealseed Resources Sdn. Bhd.

Name of subsidiary	Effective equity interest		Principal activities
	2021	2020	
Idealseed Arrowhead Sdn. Bhd. ^Δ	-	51%	Striked off

8. *INVESTMENT IN SUBSIDIARY COMPANIES (continued)*

Subsidiary companies of SurfsteK Resources (R&D) Sdn. Bhd.

Name of subsidiaries	Effective equity interest		Principal activities
	2021	2020	
SurfsteK Innovation Sdn. Bhd. ^	100%	100%	Supplying computer hardware, components and all kind of computer related products.
Hotelsurfs Sdn. Bhd. ^	100%	100%	Online hotel booking.

Subsidiary company of Technodex Solutions Sdn. Bhd.

Name of subsidiary	Effective equity interest		Principal activities
	2021	2020	
T5 Advance Venture Sdn. Bhd. ^	100%	-	Dormant

^ *Audited by CAS Malaysia PLT.*

* *Unaudited management account were used for consolidation purpose.*

@ *In December 2020, the subsidiary, Technodex Solutions Sdn. Bhd. ("TSSB") increased its share capital from 5,200,000 to 7,200,000 units by way of issuance of 2,000,000 new ordinary shares at an issuanse price of RM1.00 per share for the purpose of working capital. No impact to the Group's ownership in TSSB.*

In July 2020, the subsidiary, Idealseed Consultancy Services Sdn. Bhd. ("ICSSB") increased its share capital from 2 to 1,000,000 units by way of issuance of 999,998 new ordinary shares at an issuanse price of RM1.00 per share for the purpose of working capital. No impact to the Group's ownership in ICSSB.

** *In April 2021, the subsidiary, Idealseed Resources Sdn. Bhd. ("IRSB") increased its share capital from 500,000 to 950,000 units by way of issuance of 450,000 new ordinary shares at an issuanse price of RM1.00 per share for the purpose of working capital. Therefore, the Group's ownership in IRSB has been increased from 97% to 98.42%. The Group recognised a reduction in non- controlling interest of RM18,790 and an increase in accumulated losses during the financial year.*

Δ *The Company was struck off on 04 December 2020.*

(a) Disposal of MyProperty Data Sdn. Bhd.

On 27 November 2020, the Company disposed its 50% equity investment in MyProperty Data Sdn. Bhd. for a total consideration of RM3,219,979.

(i) Summary of effects of disposal of MyProperty Data Sdn. Bhd.:

	RM
Company	
Cash consideration received	3,219,979
Less: Carrying amount of investment at disposal date	(250,000)
Gain from disposal of subsidiary	2,969,979
Group	
Cash consideration received	3,219,979
Less: 50% Fair value of identifiable net assets at disposal date	
Property, plant and equipment (Note 5)	(1,490)
Intangible Asset (Note 7)	(535,616)
Net current liabilities	1,769,290
	4,452,163
Less: Waiver of intercompany indebtness	(1,900,000)
Gain from disposal of subsidiary	2,552,163

(ii) Effects of disposal on cash flows:

Fair value of consideration received	3,219,979
Less: Cash and cash equivalents of subsidiary disposed	(79,448)
Net cash inflows on disposal	3,140,531

8. *INVESTMENT IN SUBSIDIARY COMPANIES (continued)*

Group

(b) Non-controlling interest

Proportion of equity interest held by non-controlling interests:

	2021 %	2020 %
Idealseed Resources Sdn. Bhd. ("IRSB")	1.58	3
MyProperty Data Sdn. Bhd. ("MDSB")	-	50
Idealseed Arrowhead Sdn. Bhd. ("IASB")	-	49

The non-controlling interests at the end of the reporting year comprise the following:

	2021 RM	2020 RM
IRSB	22,791	75,969
MDSB	-	(1,018,793)
IASB	-	(980)
	22,791	(943,804)

The summarised financial information for each subsidiary that has non-controlling interest are material to the Group is provided below. This information is based on amounts before inter- company eliminations.

Summarised statement of profit or loss for financial year/period ended:

	IRSB RM	MDSB RM	Total RM
2021			
Revenue	6,179,365	544,857	6,724,222
Loss for the financial year	(1,546,456)	(426,782)	(1,973,238)
Total comprehensive expenses	(1,546,456)	(426,782)	(1,973,238)
Attributable to non-controlling interests	(35,315)	(213,391)	(248,706)
2020			
Revenue	9,241,182	2,012,605	11,253,787
Loss for the financial year	(1,149,729)	(651,842)	(1,801,571)
Total comprehensive expenses	(1,149,729)	(651,842)	(1,801,571)
Attributable to non-controlling interests	(34,492)	(325,921)	(360,413)

8. *INVESTMENT IN SUBSIDIARY COMPANIES (continued)*

Group (continued)

(b) *Non-controlling interest (continued)*

Summarised statement of financial position as at:

	IRSB RM	MDSB RM	Total RM
2021			
Non-current assets	1,528,195	-	1,528,195
Current assets	4,063,078	-	4,063,078
Current liabilities	(4,146,559)	-	(4,146,559)
Net assets	1,444,714	-	1,444,714
2020			
Non-current assets	2,146,386	1,180,880	3,327,266
Current assets	5,472,863	912,556	6,385,419
Current liabilities	(5,079,060)	(4,131,022)	(9,210,082)
Net assets/ (liabilities)	2,540,189	(2,037,586)	502,603

Summarised cash flow information for financial year ended:

	IRSB RM	MDSB RM	Total RM
2021			
Net cash flows generated from operating activities	189,879	-	189,879
Net cash flows used in investing activities	(36,817)	-	(36,817)
Net cash flows generated from financing activities	706,983	-	706,983
2020			
Net cash flows used in operating activities	(780,908)	(427,317)	(1,208,225)
Net cash flows used in investing activities	(123,799)	(135,732)	(259,531)
Net cash flows generated from financing activities	346,062	590,719	936,781

(c) Incorporation of subsidiaries

(i) On 10 December 2020, the Company incorporated a wholly-owned subsidiary, Mydata Advisory Sdn. Bhd. ("MASB") by way of issuance of 100 ordinary shares of RM1 each, representing 100% equity interest in MASB for a total consideration of RM100. Subsequently, the Company reduced its equity interest to 51%.

(ii) On 2 February 2021, the Group incorporated a wholly-owned subsidiary, T5 Advance Venture Sdn. Bhd. ("T5") by way of issuance of 100 ordinary shares of RM1 each, representing 100% equity interest in T5 for a total consideration of RM100.

9. GOODWILL ON CONSOLIDATION

	Group 2021 RM	Group 2020 RM
At cost		
Balance as at beginning and end of the financial year	2,713,542	2,713,542
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	519,750	519,750
Impairment losses recognised during the financial year	-	-
Balance as at end of the financial year	519,750	519,750
Net carrying amount		
Balance as at end of the financial year	**2,193,792**	**2,193,792**

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The recoverable amounts of a CGU is determined based on the value-in-use calculation. The key assumptions used in the computation of value in use are gross margin, discount rates, growth rates, projected cash flows from use and terminal value.

The projected cash flows from use are derived from the most recent financial budgets approved by Board for the next five years and extrapolated cash flows for the following years based on estimated growth rates. The growth rate used is based on the expected projection of the information technology products and related services.

The estimate of net cash flows for the disposal of the asset at the end of its useful life is the present value of the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

The gross margin used is based on past performance and the expectation of market development.

The value-in-use calculation is determined using discounted cash flow projection discounted at rates which reflects current market assessment of the time value of money and risks relating to the relevant CGU.

The key assumptions used for determining value in use are as follows:

	Group 2021 %	Group 2020 %
Gross margin	11 - 44	8 - 20
Growth rate	6 - 252	5 - 136
Discount rate	8.90	5.20

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. No impairment loss provided in current financial year.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

10. INVENTORIES

	Group 2021 RM	Group 2020 RM
At cost		
Trading stocks - computer peripheral	4,371,781	3,571,442
Recognised in profit or loss		
Inventories recognised as cost of sales	44,884,902	37,708,444
Inventory written off	266,717	-

11. TRADE RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables				
- third parties	9,700,141	14,011,647	-	-
- subsidiary companies	-	-	968,873	1,016,420
Trade receivables - gross	9,700,141	14,011,647	968,873	1,016,420
Less: Allowance for impairment losses	(1,291,031)	(815,884)	(163,080)	-
Trade receivables - net	8,409,110	13,195,763	805,793	1,016,420
Accrued revenue	1,305,088	656,664	-	-
	9,714,198	13,852,427	805,793	1,016,420

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other expenses' in the profit or loss. Unless the Group and the Company are satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

11. *TRADE RECEIVABLES (continued)*

Group

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

2021	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	43,427	772,457	815,884
Allowance for impairment losses	-	606,392	606,392
Written off	-	(62,328)	(62,328)
Disposal of subsidiary	(43,427)	(25,490)	(68,917)
Balance as at end of the financial year	-	1,291,031	1,291,031
2020			
Balance as at beginning of the financial year	-	671,834	671,834
Allowance for impairment losses	43,427	100,623	144,050
Balance as at end of the financial year	43,427	772,457	815,884

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Based on the Group's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

		Provision for impairment losses		
2021	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	3,622,575	-	-	3,622,575
Past due 1 - 30 days	3,976,163	-	-	3,976,163
Past due 31 - 60 days	425,972	-	-	425,972
Past due 61 - 90 days	56,372	-	-	56,372
More than 90 days past due	328,028	-	-	328,028
	8,409,110	-	-	8,409,110
Credit Impaired				
More than 90 days past due	1,291,031	-	(1,291,031)	-
	9,700,141	-	(1,291,031)	8,409,110

11. TRADE RECEIVABLES (continued)

2020	Gross carrying amount RM	Provision for impairment losses ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	5,818,230	-	-	5,818,230
Past due 1 - 30 days	1,160,832	-	-	1,160,832
Past due 31 - 60 days	1,698,598	-	-	1,698,598
Past due 61 - 90 days	864,169	(754)	-	863,415
More than 90 days past due	3,697,361	(42,673)	-	3,654,688
	13,239,190	(43,427)	-	13,195,763
Credit Impaired				
More than 90 days past due	772,457	-	(772,457)	-
	14,011,647	(43,427)	(772,457)	13,195,763

Company

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

2021	Gross carrying amount RM	Provision for impairment loss ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	114,333	-	-	114,333
Past due 1 - 30 days	60,000	-	-	60,000
Past due 31 - 60 days	35,000	-	-	35,000
Past due 61 - 90 days	95,000	-	-	95,000
More than 90 days past due	501,460	-	-	501,460
	805,793	-	-	805,793
Credit Impaired	163,080	-	(163,080)	-
	968,873	-	(163,080)	805,793
2020				
Neither past due	88,700	-	-	88,700
Past due 1 - 30 days	88,700	-	-	88,700
Past due 31 - 60 days	-	-	-	-
Past due 61 - 90 days	88,700	-	-	88,700
More than 90 days past due	750,320	-	-	750,320
	1,016,420	-	-	1,016,420
Credit Impaired	-	-	-	-
	1,016,420	-	-	1,016,420

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 30 to 60 days (2020: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

12. OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other receivables	557,119	1,202,078	90	90
Less: Allowance for impairment losses	(349,610)	(349,610)	-	-
	207,509	852,468	90	90
Deposits	228,919	241,210	83,759	82,280
GST receivables	883	883	-	-
Prepayments	1,006,094	980,054	32,319	26,411
	1,235,896	1,222,147	116,078	108,691
	1,443,405	2,074,615	116,168	108,781

Other receivables represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

	Group	
	2021	2020
	RM	RM
Balance as at beginning of the financial year	349,610	105,560
Impairment losses recognised during the financial year	-	244,050
Balance as at end of the financial year	349,610	349,610

13. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2021	2020
	RM	RM
Amount due from subsidiary companies	13,384,112	16,975,283
Less: Allowance for impairment losses	(6,320,485)	(7,242,882)
Amount due from subsidiary companies - net	7,063,627	9,732,401
Amount due to subsidiary companies	16,027	156,898

The amount due from/(to) subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

	Company	
	2021	2020
	RM	RM
Balance as at beginning of the financial year	7,242,882	7,242,882
Addition	77,601	-
Reversal	(999,998)	-
Balance as at end of the financial year	6,320,485	7,242,882

14. FIXED DEPOSITS WITH LICENSED BANKS

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
With maturity of 1 to 3 months	9,284,796	5,221,423	8,050,505	5,000,000
With maturity of more than 3 months	7,979,460	3,194,151	5,800,000	1,059,158
	17,264,256	8,415,574	13,850,505	6,059,158

Included in fixed deposits with licensed banks of the Group at the end of the reporting year was an amount of RM2,403,408 (2020: RM2,355,350) which has been pledged to licensed banks as security for banking facilities of the Group.

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

	Group 2021	Group 2020
Effective interest rates	1.60% - 3.15%	2.20% - 3.15%
Maturity period	one month to one year	one month to one year

	Company 2021	Company 2020
Effective interest rates	1.60% - 2.20%	2.20% - 2.30%
Maturity period	one to six months	one to six months

15. SHARE CAPITAL AND RESERVES

	Group/Company			
	2021	2020	2021	2020
	Number of shares (units)		RM	RM
Issued and fully paid up:				
Balance as at beginning of the financial year	767,087,723	590,421,123	46,737,018	40,862,820
Issued during the financial year	40,000,000	176,666,600	8,120,000	5,874,198
Balance as at end of the financial year/period	807,087,723	767,087,723	54,857,018	46,737,018

During the financial year, the ordinary share capital of the Company was increased from 767,087,723 units to 807,087,723 units by way of issuance of new ordinary shares pursuant to the following:

(i) private placement of 40,000,000 units new ordinary shares of RM0.2030 each.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issue of shares during the financial year.

Pursuant to Section 74 of the Companies Act 2016, all shares issued before or upon commencement of the Act shall have no par or nominal value.

16. ACCUMULATED LOSSES

The Group and the Company reported accumulated losses position as at reporting date.

17. LOAN AND BORROWINGS

	Group 2021 RM	Group 2020 RM
Current liabilities		
Secured		
Bank overdraft	2,613,467	4,595,939
	2,613,467	4,595,939
Total loan and borrowings		
Secured		
Bank overdraft	2,613,467	4,595,939
	2,613,467	4,595,939

Rates of interest charged per annum:

	Group 2021 %	Group 2020 %
Bank overdraft	BLR + 1.25	BLR + 1.25

(a) Bank overdraft

Bank overdraft is secured by the following:

(i) Open All Monies Facilities Agreement to be entered into between one of the subsidiary companies and the bank;

(ii) irst party pledge of fixed deposit of RM1,000,000 created by one of the subsidiary companies by way of an Open All Monies memorandum of deposit. The interest earned shall be capitalised and retained as security; and

(iii) Open All Monies corporate guarantee by the Company.

18. DEFERRED INCOME

	Group 2021 RM	Group 2020 RM
Deferred income		
Advance received	113,850	204,930
Analysed as:		
Non-current	22,770	113,850
Current	91,080	91,080
	113,850	204,930

19. DEFERRED TAXATION

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	2021 RM	2020 RM
Deferred tax assets, net	-	-
Deferred tax liabilities, net	10,628	19,583
	10,628	19,583

The following are the movements of deferred tax liabilities:

	Group	
	2021 RM	2020 RM
Balance as at beginning of the financial year	19,583	-
Recognised in profit or loss (Note 26)	(8,955)	19,583
Balance as at end of the financial year	10,628	19,583

The components of the deferred tax (assets)/liabilities at the end of the financial year comprise tax effects of:

	Group	
	2021 RM	2020 RM
Deferred tax assets		
Tax loss carried forward	-	-
Deferred tax liabilities		
Property, plant and equipment	8,954	5,257
Unrealised foreign exchange gain	1,674	14,326
	10,628	19,583

19. DEFERRED TAXATION (continued)

Unrecognised deferred tax assets

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Unabsorbed capital allowances	1,607,937	1,324,481	1,380,360	1,114,535
Unutilised tax losses	25,833,271	23,562,083	9,526,461	8,612,391
Other temporary differences	(165,134)	(863,019)	(10,739)	(383,343)
	27,276,074	24,023,545	10,896,082	9,343,583
Unrecognised deferred tax assets at 24%	6,546,258	5,765,651	2,615,060	2,242,460

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment effective from year 2019 and it can only be utilised against income from the same business source. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilise the benefits. The availability of unabsorbed capital allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Utilisation period				
Indefinite	1,442,803	461,462	1,369,621	731,192
Expired by 30 June 2025	13,523,323	13,994,981	7,975,926	8,395,350
Expired by 30 June 2026	5,166,051	5,267,915	117,957	117,597
Expired by 30 June 2027	4,299,187	4,299,187	99,444	99,444
Expired by 30 June 2028	2,844,710	-	1,333,134	-
	27,276,074	24,023,545	10,896,082	9,343,583

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	2,398,865	4,113,336	-	-
Add:				
Accruals	1,542,275	1,743,974	247,804	232,920
Deposits received	9,570	128,095	-	-
Other payables	324,688	966,490	69,800	127,281
	1,876,533	2,838,559	317,604	360,201
Total trade and other payables	4,275,398	6,951,895	317,604	360,201
Total financial liabilities carrying at amortised costs	2,733,123	5,207,921	69,800	127,281

Included in accruals is an amount of RM155,000 (2020: RM158,000) due to directors and former directors in respect of outstanding remuneration and fees of the Group and of the Company.

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 60 days (2020: 30 to 60 days).

21. NET ASSETS PER SHARE

	Group	
	2021 RM	2020 RM
Net assets (RM)	33,501,413	29,368,830
Number of issued ordinary shares as at 30 June (units)	807,087,723	767,087,723
Net assets per share (RM)	0.04	0.04

22. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Sales of goods, license fee and invoiced value of services provided	58,247,526	52,377,725	-	-
Finance lease income	565,729	842,306	-	-
Management fee income	-	-	1,264,381	1,064,400
	58,813,255	53,220,031	1,264,381	1,064,400
Timing of revenue recognition:				
At point in time	58,247,526	52,377,725	1,264,381	1,064,400
At point over time	565,729	842,306	-	-
	58,813,255	53,220,031	1,264,381	1,064,400

23. COST OF SALES

	Group 2021 RM	Group 2020 RM (Restated)
Other cost of sales	48,064,358	40,253,782
Contractor cost:		
Salaries and other benefits	4,970,836	7,146,363
Employee's provident fund	40,403	83,936
Lease liabilities interest	584,642	643,865
	53,660,239	48,127,946

24. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Bank overdraft interest	197,325	339,468	-	-
Lease liabilities interest	68,750	104,729	52,585	68,591
	266,075	444,197	52,585	68,591

25. LOSS BEFORE TAXATION

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Loss before taxation is arrived at:					
after charging					
Amortisation of intangible assets	7, 27	2,326,345	3,551,917	666,890	889,186
Auditors' remuneration:					
Statutory audit	27	126,000	125,000	42,000	42,000
Non-statutory audit		6,000	5,000	6,000	5,000
Bad debts written off:					
Other receivables		7,973	235,000	-	-
Amount due from a subsidiary company		-	-	1,888,552	42,000
Depreciation:					
Property, plant and equipment	5, 27	164,436	149,109	80,579	78,634
Right-of-use assets	6.1	661,404	657,778	331,932	322,230
Directors' remuneration:					
Fees	28	266,371	72,000	266,371	72,000
Other emoluments	28	726,361	604,647	582,047	604,647

25. LOSS BEFORE TAXATION (continued)

Other key management personnel:					
Salaries and other benefits	28	752,454	685,272	281,170	179,225
Employee's provident fund	28	94,383	86,781	35,377	23,862
Finance costs:					
Bank overdraft interest	24	197,325	339,468	-	-
Lease liabilities interest	23,24	653,392	748,594	52,585	68,591
Impairment loss on:					
Amount due from subsidiary	13	-	-	77,601	-
Investment in a subsidiary	8	-	-	1,075,158	-
Intangible assets	7	-	2,069,904	-	-
Trade receivables	11	606,392	144,050	163,080	-
Other receivables	12	-	244,050	-	-
Outsourcing contractor fees		-	756,000	-	-
Property, plant and equipment written off		-	195	-	-
Intangible asset written off	7	2,011,568	-	1,333,780	-
Inventory written off	10	266,717	-	-	-
Loss on foreign exchange:					
Realised		310,577	271	-	-
Unrealised		42,194	196	-	-
Rental of computer equipment		14,020	31,692	10,906	10,832
Staff costs:					
Salaries and other benefits	27	2,693,120	2,797,170	670,919	380,171
Employee's provident fund	27	244,274	297,646	57,545	36,434
after crediting					
Gain on foreign exchange:					
Realised		(178,022)	(23,041)	-	-
Unrealised		(5,604)	(65,532)	-	-
Gain on disposal on:					
Property, plant and equipment		-	(4,246)	-	-
Right-of-use assets		-	(1,119)	-	-
Subsidiary		(2,552,163)	-	(2,969,979)	-
Gain on adjustment made for recognition of lease receivables		-	(386,961)	-	-
Gain on derecognition of lease		(69,717)	-	(69,717)	-
Reversal of impairment on amount due from subsidiary		-	-	(999,998)	-
Interest income		(151,679)	(165,398)	(419,065)	-
Management fee	23	-	-	(1,264,381)	(1,064,400)

26. TAXATION

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Current				
Provision for current financial year	204,923	34,805	-	-
Underprovision in previous financial year	11,305	7,683	-	-
	216,228	42,488	-	-
Deferred taxation (Note 19)				
Recognised in the income statement	(11,875)	58,181	-	-
Under/(over) provision in previous financial year	2,920	(38,598)	-	-
	(8,955)	19,583	-	-
Tax expenses for current financial year	207,273	62,071	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable loss for the financial year.

A subsidiary company, Surfstek Resources (R&D) Sdn. Bhd. ("SRSB") has received approval from Malaysia Digital Economy Corporation Sdn. Bhd. for the MSC status for its new product. During the year the MSC status has expired and SRSB has applied for renewal. The application is pending relevant authority's approval.

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Loss before taxation	(4,587,453)	(9,609,600)	(2,393,282)	(1,741,085)
Tax at the statutory tax rate of 24%	(1,100,989)	(2,306,304)	(574,388)	(417,860)
Deferred tax assets not recognised during the financial year	780,607	1,060,265	372,600	212,295
Non-deductible expenses	667,070	1,478,584	1,171,314	205,565
Non-taxable income	(153,640)	(139,559)	(969,526)	-
Underprovision of taxation in previous financial year	11,305	7,683	-	-
Underprovision/(over) of deferred taxation in previous financial year	2,920	(38,598)	-	-
Tax expenses for the current financial year	207,273	62,071	-	-

27. DISCONTINUED OPERATION

(a) On 27 November 2020, the Group had discontinued its E-commerce business. The segment was not a discontinued operation as at 30 June 2020 and the comparative statements of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

(i) Analysis of the result of discontinued operation and result recognised on the remeasurement of disposal group is as follows:

	Group	
	2021	**2020**
	RM	**RM**
Revenue	544,857	2,012,605
Expenses	(971,639)	(2,664,446)
Loss before tax of discontinued operation	(426,782)	(651,841)
Tax expense discontinued operation, net of tax	-	-
	(426,782)	(651,841)

(ii) The following items have been (credited)/charged in arriving at profit before tax:

	Group	
	2021	**2020**
	RM	**RM**
Auditors' remuneration	2,917	7,000
Depreciation of property, plant and equipment (Note 5)	596	1,430
Amortisation of intangible asset (Note 7)	158,727	362,262
Directors' remuneration:		
Other emoluments	81,025	195,803
Staff costs:		
Salaries and other benefits	352,408	646,864
Employee's provident fund	31,756	60,956

(iii) Cash flows generated from/(used in) discontinued operation:

	Group	
	2021	**2020**
	RM	**RM**
Net cash flows generated from/(used in) operating activities	400,087	(427,317)
Net cash flows used in investing activities	(52,655)	(135,732)
Net cash flows (used in)/generated from financing activities	(300,262)	590,719
	47,170	27,670

28. LOSS PER SHARE

(a) Basic loss per ordinary share

The calculation of basic loss per ordinary share at 30 June 2021 is based on the loss attributable to ordinary shareholders and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2021	2020
Loss attributable to the owners of the Company:		
- Continuing operation	(4,546,020)	(9,322,789)
- Discontinued operation	(426,782)	(651,841)
Loss attributable to owner of the company (RM)	(4,972,802)	(9,974,630)
Weighted average number of ordinary shares (units)	780,895,942	623,693,419
Basic loss per ordinary share		
- Continuing operation	(0.58)	(1.49)
- Discontinued operation	(0.06)	(0.11)
Basic loss per ordinary share attributable to owner of the Company (sen)	(0.64)	(1.60)

(b) Diluted loss per ordinary share

The group does not have any potential dilutive ordinary shares, thus, diluted loss per ordinary share is not presented.

29. KEY MANAGEMENT PERSONNEL REMUNERATION

The aggregate amounts of emoluments received and receivable by key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Executive directors:				
non-fee emoluments	726,361	604,647	582,047	604,647
Non-executive directors:				
fees	266,371	72,000	266,371	72,000
Total directors' remuneration	992,732	676,647	848,418	676,647
Other key management personnel compensation	846,837	772,053	316,547	203,087
	1,839,569	1,448,700	1,164,965	879,734

30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group and the Company have related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Subsidiary companies				
Management fee	-	-	(1,264,381)	(1,064,400)
Interest income	-	-	(318,853)	(280,287)

(c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 29.

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

31. CONTINGENT LIABILITIES

	Company	
	2021	2020
	RM	RM
Corporate guarantee - unsecured		
Issued to third parties for supplies of good and services to a subsidiary company	2,000,000	2,000,000
Banking facilities granted to certain subsidiary companies	12,910,135	19,232,815

As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

The corporate guarantee have not been recognised since the fair value on initial recognition was not material as the repayment is on schedule and no liability.

32. SEGMENT INFORMATION

32.1 Business segment

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

(i)	Application support & services and hardware	Application development service, application support and maintenance service, data solutions and services, trading of desktop and laptop for consumer and commercial use, point of sales computers and related peripherals.
(ii)	Manpower outsourcing	Sourcing, selecting and outsourcing to fill for human resource needs.
(iii)	E-Commerce	Online payment gateway services.
(iv)	Others	Provide Group level corporate services and treasury functions and investments.

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.

Group

	Application support & services and hardware	Manpower outsourcing	E-Commerce	Others	Discontinued Operation	Eliminations	Total as per consolidated financial statements
	RM	RM	RM	RM	RM	RM	RM
2021							
Revenue							
External revenue	52,506,892	6,171,734	25,109	109,520	544,857	(544,857)	58,813,255
Inter-segment revenue	5,930	7,631	407,024	1,154,861	-	(1,575,446)	-
	52,512,822	6,179,365	432,133	1,264,381	544,857	(2,120,303)	58,813,255
Results							
Segment results (external)	2,162,193	(249,879)	(2,292,253)	(356,291)	(267,459)	267,459	(736,230)
Interest income	33,618	19,915	-	419,065	-	(320,919)	151,679
Finance costs	(934,758)	(183,476)	(817)	(52,585)	-	320,919	(850,717)
Depreciation and amortisation	(330,641)	(52,357)	(2,356,676)	(412,511)	(159,323)	159,323	(3,152,185)
Impairment of intangible assets	-	-	-	-	-	-	-
Loss before taxation	930,412	(465,797)	(4,649,746)	(402,322)	(426,782)	426,782	(4,587,453)
Tax expense							(207,273)
Loss for the financial year from continuing operations							(4,794,726)
Loss for the financial year from discontinued operation, net of tax							(426,782)
Non-controlling interests							248,706
Net loss attributable to owners of the Company							(4,972,802)

32. SEGMENT INFORMATION (continued)

32.1 Business segment (continued)

Group

	Application support & services and hardware	Manpower outsourcing	E-Commerce	Others	Discontinued Operation	Eliminations	Total as per consolidated financial statements
	RM	RM	RM	RM	RM	RM	RM
2020							
Revenue							
External revenue	43,525,061	9,230,970	152,000	312,000	2,012,605	(2,012,605)	53,220,031
Inter-segment revenue	573	10,212	38,516	752,400	-	(801,701)	-
	43,525,634	9,241,182	190,516	1,064,400	2,012,605	(2,814,306)	53,220,031
Results							
Segment results (external)	(166,405)	275,439	26,760	(2,394,022)	(287,728)	287,728	(2,258,228)
Interest income	49,251	40,287	-	363,105	-	(287,245)	165,398
Finance costs	(1,061,469)	(243,275)	(1,551)	(68,591)	(421)	287,245	(1,088,062)
Depreciation and amortisation	(314,671)	(54,037)	(3,589,232)	(400,864)	(363,692)	363,692	(4,358,804)
Impairment of intangible assets	-	-	(2,069,904)	-	-	-	(2,069,904)
Loss before taxation	(1,493,294)	18,414	(5,633,927)	(2,500,372)	(651,841)	-	(9,609,600)
Tax expense							(62,071)
Loss for the financial year from continuing operations							(9,671,671)
Loss for the financial year from discontinued operation, net of tax							(651,841)
Non-controlling interests							348,882
Net loss attributable to owners of the Company							(9,974,630)

32. SEGMENT INFORMATION (continued)

32.2 Geographical information

Segmental reporting by geographical regions has only been prepared for revenue as the Group's assets are located in Malaysia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

	Group 2021 RM	Group 2020 RM
Revenue		
Continuing operation:		
Malaysia	34,438,514	33,142,805
Hong Kong	22,869,581	13,098,687
Indonesia	-	1,642,025
Singapore	708,915	4,026,953
Others	796,245	1,309,561
	58,813,255	53,220,031
Discontinued operation	544,857	2,012,605
Total revenue	**59,358,112**	**55,232,636**

32.3 Major customers

During the financial year, major customer with revenue equal to or more than 10% of the Group revenue are as follows:

	Group 2021 RM	Group 2020 RM
All common control companies of Customer A	22,779,267	10,553,468
All common control companies of Customer B	-	6,555,183
	22,779,267	17,108,651

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

33.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes bank overdraft, lease liabilities and term loan.

The bank overdraft at floating rate exposes the Group to cash flow interest rate risk whilst lease liabilities and term loan at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the bank overdraft are disclosed in Note 17.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's loss before taxation would change by approximately RM26,135 (2020: RM45,960) as a result of exposure to floating rate borrowings.

33.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables below. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The Group and the Company do not have any major concentration of credit risks related to any individual customer and counterparty. The maximum exposure to credit risk is disclosed in Note 11 to the financial statements, representing the carrying amount of the trade receivables recognised on the statements of financial position.

The exposure of credit risk for trade receivables by geographical region is as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Malaysia	3,786,995	6,136,317	805,793	1,016,420
Singapore	53,467	10	-	-
China	9,400	9,620	-	-
Germany	23,254	22,653	-	-
Hong Kong	4,534,635	5,914,678	-	-
Thailand	860	4,524	-	-
Indonesia	-	608,546	-	-
Korea	499	-	-	-
Australia	-	499,415	-	-
	8,409,110	13,195,763	805,793	1,016,420

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

33.2 Credit risk (continued)

(b) Lease receivables

The credit risk associated with lease receivables is mitigated by way of obtaining security over the leased equipment. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

As at the end of the reporting date, the Group did not recognise any loss allowance for impairment for lease receivables.

(c) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the subsidiary companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 30 June 2021, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies.

(d) Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiary companies and the default is remote. The exposure to credit risk is disclosed in Note 31 and Note 33.4 to the financial statements, representing the total banking facilities granted to the subsidiary companies as at the reporting date.

33.3 Foreign currency risk

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group's and of the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro Dollar ("EURO").

The Group may use forward exchange contracts to hedge its foreign currency risk where necessary. Most of the forward exchange contracts have maturity of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

	USD RM	EURO RM	Total RM
2021			
Cash and bank balances	35,935	17	35,952
Trade and other receivables	4,622,114	-	4,622,114
Trade payables	(1,573,410)	-	(1,573,410)
	3,084,639	17	3,084,656
2020			
Cash and bank balances	83,316	17	83,333
Trade and other receivables	6,088,175	-	6,088,175
Trade payables	(2,458,191)	-	(2,458,191)
	3,713,300	17	3,713,317

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

33.3 Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's (loss)/profit before taxation would change by approximately RM308,466 (2020: RM371,332).

33.4 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

	Carrying amount RM	Contractual interest rate RM	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not more than 5 years RM	More than 5 years RM
Group						
2021						
Trade and other payables	4,275,398	-	4,275,398	4,275,398	-	-
Bank overdraft	2,613,467	BLR + 1.25	2,613,467	2,613,467	-	-
Lease liabilities	8,425,266	3.36 - 7.70	8,804,875	5,901,048	2,903,827	-
Deferred income	113,850	-	113,850	91,080	22,770	-
	15,427,981		15,807,590	12,880,993	2,926,597	-
2020						
Trade and other payables	6,951,895	-	6,951,895	6,951,895	-	-
Bank overdraft	4,595,939	BLR + 1.25	4,595,939	4,595,939	-	-
Lease liabilities	14,047,978	3.36 - 7.95	15,114,341	6,024,444	9,089,897	-
Deferred income	204,930	-	204,930	91,080	113,850	-
	25,800,742		26,867,105	17,663,358	9,203,747	-
Company						
2021						
Other payables	317,604	-	317,604	317,604	-	-
Lease liabilities	682,680	3.41 - 7.70	711,905	345,513	366,392	-
Amount due to subsidiary companies	16,027	-	16,027	16,027	-	-
Financial guarantee contracts	14,910,135	-	14,910,135	14,910,135	-	-
	15,926,446		15,955,671	15,589,279	366,392	-
2020						
Other payables	360,201	-	360,201	360,201	-	-
Lease liabilities	1,258,595	3.41 - 7.7	1,375,889	357,394	1,018,495	-
Amount due to subsidiary companies	156,898	-	156,898	156,898	-	-
Financial Guarantee contracts	21,232,815	-	21,232,815	21,232,815	-	-
	23,008,509		23,125,803	22,107,308	1,018,495	-

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

33.5 Classification of financial instruments

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Financial assets				
Amortised costs				
Trade receivables	9,714,198	13,852,427	805,793	1,016,420
Other receivables	437,311	1,094,561	83,849	82,370
Lease receivables	7,291,519	12,404,794	-	-
Amount due from subsidiary companies	-	-	7,063,627	9,732,401
Fixed deposits with licensed banks	17,264,256	8,415,574	13,850,505	6,059,158
Cash and bank balances	1,344,031	843,138	745,809	224,789
	36,051,315	36,610,494	22,549,583	17,115,138
Financial liabilities				
Amortised costs				
Trade payables	2,398,865	4,113,336	-	-
Other payables	334,258	1,094,585	69,800	127,281
Lease liabilities	8,425,266	14,047,978	682,680	1,258,595
Loan and borrowings	2,613,467	4,595,939	-	-
Deferred income	113,850	204,930	-	-
Amount due to subsidiary companies	-	-	16,027	156,898
	13,885,706	24,056,768	768,507	1,542,774

33.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value.

	Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Group				
2021				
Financial asset				
Lease receivables	-	-	7,291,519	7,291,519
Financial liabilities				
Loans and borrowings	-	-	2,613,467	2,613,467
Lease liabilities	-	-	8,425,266	8,425,266
2020				
Financial asset				
Lease receivables	-	-	12,404,794	12,404,794
Financial liabilities				
Loans and borrowings	-	-	4,595,939	4,595,939
Lease liabilities	-	-	14,047,978	14,047,978

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

33.6 Fair value of financial instruments (continued)

	Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Company				
2021				
Financial asset				
Amount due from subsidiary companies	-	-	7,063,627	7,063,627
Financial liabilities				
Lease liabilities	-	-	682,680	682,680
Amount due to subsidiary companies	-	-	16,027	16,027
2020				
Financial asset				
Amount due from subsidiary companies	-	-	9,732,401	9,732,401
Financial liabilities				
Lease liabilities	-	-	1,258,595	1,258,595
Amount due to subsidiary companies	-	-	156,898	156,898

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (30.06.2020: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Lease receivables, amount due from/(to) subsidiary companies, amount due to directors, loan and borrowings and lease liabilities

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

34. SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout Malaysia and around the world. On 16 March 2020, the Malaysian Prime Minister announced Movement Control Order (MCO) which includes closure of all government and private premises except those involved in essential services effective 18 March 2020 to 3 May 2020, Conditional Movement Control Order (CMCO) from 4 May to 9 June 2020, Recovery Movement Control Order (RMCO) from 10 June 2020 to 31 August 2020 and further extended RMCO to 31 December 2020. On 11 January 2021, the Malaysian Government announced the re-imposition of the MCO for certain states of the country effective from 13 January 2021 to 4 Februrary 2021 which was further extended to 5 March 2021 and entered CMCO thereafter. On 3 May 2021, the Government re-imposed MCO which will be effective from 6 May 2021 to 17 May 2021 for selective states. Meanwhile, due to the spike in the cases, on 10 May 2021, the Government had announced that a nationwide MCO would be reinstated from 12 May 2021 to 7 June 2021 which was further extended until 28 June 2021. National Recovery Plan (NRP) has been implemented by the Government thereafter by phases in different states.

Consequently, the Covid-19 Outbreak had resulted in travel restrictions, lockdown and other precautionary measures which has then brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operates as well as may cause impact to the Group's and the Company's revenue, earnings, cash flows and financial condition.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken:

(i) Impact from Covid-19 Pandemic

The Covid-19 pandemic played a part in driving the Digital Economy. Many corporations have implemented work-from-home policies during the CMCO and RMCO periods, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing as well as project management tools.

During MCO and CMCO period, the Group are still able to continue operate their business by implemented work-from-home policies.

(ii) Funding

During the financial year, the Company has raised RM8,120,000 by increased its issued and paid–up ordinary share capital by through private placement for the purpose of working capital. The details are disclosed in Note 15 to the financial statements.

These will help the Group and the Company to strengthen its equity base and liquidity.

(iii) Working capital management

The Group and the Company have continue to be prudent in cost control measures. The Group and the Company continuously relook at the efficiency of the organisation structure and the right resource size to achieve further savings in all relevant cost.

The Group and the Company are actively monitoring and taking appropriate and timely measures

(b) On 25 August 2021, the Group incorporated a partially-owned subsidiary Technodex Accubits Sdn. Bhd. by way of issuance of 102 ordinary shares of RM1 each, representing 51% controlling interest for a total consideration of RM102.

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2021.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by total capital. The Group's and the Company's net debts include total liabilities less total provision for taxation, deferred tax liabilities, fixed deposits with licensed banks, cash and bank balances. Total capital comprises share capital and reserves attributable to equity holders of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Net debt/(cash)	(3,180,306)	16,542,030	(13,580,003)	(4,508,253)
Total equity	33,501,413	29,368,830	52,061,738	46,335,020
Net debt against equity ratio	N/A	0.56	N/A	N/A

N/A - Not applicable as the Group and the Company are in net cash position.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2021

Total number of Issued Shares	:	807,087,723 Ordinary Shares
Class of Equity Securities	:	Ordinary shares ("Shares")
Voting Rights	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	101	2.98	4,450	*
100 – 1,000 shares	231	6.83	111,447	0.01
1,001 – 10,000 shares	1,016	30.02	6,945,841	0.86
10,001 – 100,000 shares	1,521	44.95	60,741,671	7.53
100,001 – less than 5% of issued shares	514	15.19	630,542,614	78.13
5% and above of issued shares	1	0.03	108,741,700	13.47
Total	**3,384**	**100.00**	**807,087,723**	**100.00**

* Negligible

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

	Direct		Indirect	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Peh Lian Hwa	137,482,600	17.03	-	-

DIRECTORS' SHAREHOLDING
(As per the Register of Directors' Shareholdings)

Technodex Bhd.

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah	34,600,000	4.29	-	-
Peh Lian Hwa	137,482,600	17.03	-	-
Tan Sze Chong	24,029,066	2.98	8,766,666 (1)	1.09
Heng Ling Jy	8,766,666	1.09	24,029,066(2)	2.98
Tan Boon Wooi	33,065,000	4.10	-	-
Steven Wong Chin Fung	-	-	-	-
Datuk Abd Hamid Bin Abu Bakar	-	-	-	-
Saifulrizam Bin Zainal	-	-	-	-

Note : (1) Deemed interested by virtue of his spouse's interest in Technodex Bhd.
(2) Deemed interested by virtue of her spouse's interest in Technodex Bhd.

30 LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1.	Mercsec Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Peh Lian Hwa	108,741,700	13.47
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Boon Wooi	33,065,000	4.10
3.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tengku Abdul Hamid Thani Ibni Sultan Badlishah (MY3722)	33,000,000	4.09
4.	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged securities account – AmBank (M) Berhad for Peh Lian Hwa (Smart)	28,740,900	3.56
5.	Tew Ah Keng	25,000,000	3.10
6.	Ong San Leong	24,063,500	2.98
7.	Tan Sze Chong	24,029,066	2.98
8.	Ow Boon Yonk	19,615,200	2.43
9.	Mok Shiaw Hang	17,375,700	2.15
10.	Ooi Chee Chung	12,560,000	1.56
11.	Tan Yaw Hock	11,196,500	1.39
12.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Koay Xing Boon (MY3720)	10,387,400	1.29
13.	Ong San Leong	10,000,000	1.24
14.	Tew Ah Keng	10,000,000	1.24
15.	Li Dan	9,980,700	1.24
16.	Saw Chee Leong	9,694,000	1.20
17.	Ow Boon Yonk	8,861,800	1.10
18.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lui Yuen Qiu (7001122)	8,852,150	1.10
19.	Ow Boon Yonk	8,592,500	1.06
20.	Gan Boon Chew	8,505,400	1.05
21.	Alice Lim Lay Koon	7,650,000	0.95
22.	Chung Keat Leong	7,315,500	0.91
23.	Cheong Kai Meng	7,056,700	0.87
24.	Heng Ling Jy	6,766,666	0.84
25.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Law Chee Fon	5,900,000	0.73
26.	Chong Siew Chui	5,518,866	0.68
27.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for ACE Private Equity Sdn. Bhd. (MY3838)	5,000,000	0.62
28.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ng Say Kheong (E-PPG/JMR)	4,766,600	0.59
29.	Ong San Leong	4,695,800	0.58
30.	Ooi Geim Beng	4,515,900	0.56

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of TECHNODEX BHD. ("the Company") will be held on a fully virtual basis and entirely via remote participation and electronic voting from the online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. on Wednesday, 15 December 2021 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and benefits of up to RM390,000 for the period from 16 December 2021 until the next Annual General Meeting ("AGM") of the Company. — **Ordinary Resolution 1**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution.

   (i) En. Saifulrizam Bin Zainal — **Ordinary Resolution 2**

   (ii) Mr. Tan Boon Wooi — **Ordinary Resolution 3**

   (iii) Ms. Heng Ling Jy — **Ordinary Resolution 4**

4. To re-appoint CAS Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 5**

As Special Business:

To consider and if thought fit, pass with or without any modifications, the following resolutions:

5. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR — **Ordinary Resolution 6**

   "THAT Mr. Steven Wong Chin Fung who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

6. GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 — **Ordinary Resolution 7**

   "THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier."

7. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY **Special Resolution**

"THAT the proposed amendments to the Constitution of the Company as set out in the "Appendix A", be approved for adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

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

By order of the Board

TEA SOR HUA (MACS 01324) (CCM PC NO. 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
29 October 2021

Notes:

(a) A member who is entitled to attend, participate, speak and vote at the Seventeenth AGM ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak, and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

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

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or alternatively, the Proxy Form can be lodged electronically via "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 8 December 2021. Only members whose names appear in the General Meeting Record of Depositors as at 8 December 2021 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the Meeting at short notice. Kindly check Bursa Securities' and Company's website at www.technodex.com for the latest updates on the status of the Meeting.

EXPLANATORY NOTES

1. **Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2021**

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

2. **Item 2 of the Agenda – Directors' Fees and Benefits for the period from 16 December 2021 until the next AGM of the Company**

   Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period from 16 December 2021 until the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. **Item 5 of the Agenda - Retention of Independent Non-Executive Directors**

The Board had assessed the independence of Mr. Steven Wong Chin Fung, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The Board is satisfied that he had met the independence and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following reasons:

(a) he has declared and confirmed that he fulfilled the criteria under the definition of Independent Director as set out in Rule 1 of the Listing Requirements of Bursa Securities;

(b) he has vast experience in his industry which could provide the Board with a diverse set of experience, expertise and independent judgement;

(c) he has good knowledge of the Group's operations;

(d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and

(e) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders of the Company.

4. **Item 6 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Ordinary Resolution 7 proposed under item 6 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016. This Ordinary Resolution, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company had at its Sixteenth AGM held on 3 December 2020 ("16th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this AGM.

Pursuant to the 20% General Mandate granted to the Directors at the 16th AGM, the Company had undertaken a private placement exercise where the Company had placed out 40,000,000 new ordinary shares which raised total proceeds of RM8.12 million ("Private Placement").

The details of utilisation of proceeds from the Private Placement were as follows:-

Details of Utilisation	Amount of Proceeds RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Information Technology contracts and orders	7,820.00	2,450.00	5,370.00
Expenses for the Private Placement	300.00	121.00	179.00
Total	**8,120.00**	**2,571.00**	**5,549.00**

5. **Item 7 of the Agenda – Proposed Amendments to the Constitution of the Company**

The Special Resolution proposed under item 7 of the Agenda in relation to the proposed amendments to the Constitution of the Company ("Proposed Amendments"), are mainly for the following purposes:

(a) to align the Company's Constitution with the Companies (Amendment) Act 2019 which came into operation on 15 January 2020 in relation to the alteration of share capital; and

(b) to enhance administrative efficiency.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

TechnoDex
TECHNODEX BHD
[Registration No.: 200301025214 (627634-A)]
(Incorporated in Malaysia)

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF TECHNODEX BHD. ("THE COMPANY")

This is the Appendix A referred to in Agenda 7 of the Notice of Seventeenth Annual General Meeting of the Company dated 29 October 2021.

Clause No.	Existing Clause	Proposed Clause
1 *Definitions*	**Words:** Listing Requirements **Meanings:** The ACE Market Listing Requirements of the Exchange including any amendments thereto that may be made from time to time.	**Words:** Listing Requirements **Meanings:** The **Main Market** or ACE Market Listing Requirements **(as the case may be)** of the Exchange including any amendments thereto that may be made from time to time.
56 *Power to alter capital*	Subject to the provisions of this Constitution and the Act, the Company may by special resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act; (iii) convert and/or re-classify any class of shares into any other class of shares; or (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.	Subject to the provisions of this Constitution and the Act, the Company may by ~~**special**~~ **ordinary** resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act; (iii) convert and/or re-classify any class of shares into any other class of shares; or (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Clause No.	Existing Clause	Proposed Clause
61 *Meetings of members at two or more venue*	The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.	(a) The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. (b) **For a hybrid general meeting**, the main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. (c) For **a** fully virtual general meeting, the broadcast venue **or the online meeting platform which located in Malaysia** shall be **recognized as** the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting. (d) **For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator ("URL") address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the Chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.**
107(b) *Meeting of Directors*	A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board.	**The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method. A member of the Board or any invitees may participate in the meeting by means of a telephone conference, or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such Director or person shall be regarded for all purposes as personally attended such a meeting and such Director shall be counted in a quorum and be entitled to vote on the resolutions tabled at the meeting.**
107(c) *Meeting of Directors*	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.	- Deleted -

Clause No.	Existing Clause	Proposed Clause
123(a) *Participation at Committee Meeting by way of telephone and video conference*	Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee.	**Notwithstanding any provisions to the contrary contained in this Constitution, the committee meetings may be held by fully virtual or hybrid at more than one venue using any technology or method. A committee member or any invitees may participate in the meeting by means of a telephone conference or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member or person shall be regarded for all purposes as personally attended such a meeting and such committee member shall be counted in a quorum and be entitled to vote on the resolutions tabled at the committee meeting.**
123(b) *Participation at Committee Meeting by way of telephone and video conference*	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.	**- Deleted -**
135(a) *Preparation, ~~and~~ circulation **and publication** of audited financial statements and reports of directors and auditors thereon*	The Directors shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.	The Directors shall cause to be prepared **and circulated**~~, sent~~ to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.

Clause No.	Existing Clause	Proposed Clause
135(b) *Preparation, ~~and~~ circulation **and publication** of audited financial statements and reports of directors and auditors thereon*	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent to every Member of, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent **or circulated** to every Member of **the Company**, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

TechnoDex

TECHNODEX BHD
[Registration No.: 200301025214 (627634-A)]
(Incorporated in Malaysia)

ADMINISTRATIVE NOTES FOR SEVENTEENTH ANNUAL GENERAL MEETING

Day and Date	:	Wednesday, 15 December 2021
Time	:	11:00 a.m. or at any adjournment thereof
Online Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn. Bhd.
Mode of Communication	:	(i) Submit questions to the Board of Directors prior to the Seventeeth ("17th") Annual General Meeting ("AGM") via Boardroom's website at https://investor.boardroomlimited.com/ not later than 11:00 a.m. on Monday, 13 December 2021. (ii) Post questions to the Board of Directors via real time submission of typed text during live streaming of 17th AGM.

MODE OF MEETING

As a result of the implementation of the National Recovery Plan ("NRP"), the Securities Commission Malaysia had revised the Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers to state that listed issuers are encouraged to conduct fully virtual general meetings where all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are required to participate in the meeting online.

Due to the unprecedented circumstances arising from the measures that have been implemented nationally to limit the spread of the COVID-19, and in particular, the Government of Malaysia's official guidance for practising social distancing, the Company will conduct its forthcoming 17th AGM on a fully virtual basis via remote participation and electronic voting facilities (collectively referred hereinafter as "Fully Virtual AGM").

ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear in the Record of Depositors on **8 December 2021** (General Meeting Record of Depositors) shall be eligible to participate the AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

PROXY FORM(S)

Shareholders are encouraged to go online, participate and vote at the AGM using remote participation and electronic voting facilities.

Shareholders who are unable to participate in our Fully Virtual AGM are encouraged to appoint the Chairman of the meeting as your proxy and indicate the voting instructions in the Proxy Form(s). Alternatively, you may use Boardroom Smart Investor Portal proxy appointment service to submit your proxy appointment.

Please take note that you **must** complete the Proxy Form(s) for the AGM should you wish to appoint a proxy(ies).

Please ensure that the original Proxy Form(s) is deposited at our Share Registrar's office not less than forty-eight (48) hours before the time appointed for holding the meeting at the following address:-

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
General Line : 603-7890 4700

Alternatively, you may deposit your Proxy Form(s) by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com/ to sign up as user and deposit your Proxy Form(s) electronically forty-eight (48) hours before the meeting.

REVOCATION OF PROXY

If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our Fully Virtual AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

VOTING PROCEDURE

The voting procedure will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("Boardroom") as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") and Boardroom Corporate Services Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results.

During the AGM, the Chairman of the meeting will invite the Poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

For the purposes of the Fully Virtual AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

There are two (2) methods for members and proxies who wish to use their personal voting device to vote remotely. The methods are as follows:-

(i) Use the QR Scanner Code given in the email received after successful registration; OR
(ii) Navigate to the website URL https://meeting.boardroomlimited.my.

Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the meeting whether the resolutions put to vote were successfully carried or not.

REMOTE PARTICIPATION AND E-VOTING

Please note that the remote participation and e-voting is available to individual member, corporate shareholder, authorised nominee and exempt authorised nominee.

You will be able to view a live webcast of the AGM proceeding, ask questions and submit your votes in real time whilst the meeting is in progress.

Kindly follow the steps below on how to request for login ID and password:-

Before the day of the AGM	
Step	**Action**
1. Register Online with Boardroom Smart Investor Portal (for first time registration)	[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2.] a. Access website https://investor.boardroomlimited.com/. b. Click <<Register>> to sign up as a user. c. Complete registration and upload softcopy of MyKad (front and back) or Passport. d. Please enter a valid email address and wait for Boardroom's email verification. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.
2. Submit Request for Remote Participation User ID and Password	[Note: The registration for remote access will be opened on Friday, 29 October 2021.] **Individual Members** a. Log in to https://investor.boardroomlimited.com/. b. Select "Corporate Meeting" from main menu and select the correct Corporate Event "TECHNODEX BHD (17TH) VIRTUAL AGM" and click "Enter". c. Click on "Register for RPEV". d. Read and agree to the Terms & Condition and click "Next". e. Enter your CDS Account Number and thereafter submit your request.

<table>
<tr><th colspan="2">Before the day of the AGM</th></tr>
<tr><th>Step</th><th>Action</th></tr>
<tr><td></td><td>Appointment of Proxy
a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above.
b. Select "TECHNODEX BHD (17TH) VIRTUAL AGM" from the list of Corporate Meetings and click "Enter".
c. Click on "Submit eProxy Form".
d. Read and accept the General Terms and Conditions by clicking "Next".
e. Enter your CDS Account Number and number of securities held.
f. Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
g. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.
h. Review and confirm your proxy appointment.
i. Click "Apply".
j. Download or print the eProxy form as acknowledgement.</td></tr>
<tr><td></td><td>Corporate Shareholders
a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Proxy Form to submit the request.
b. Please provide a copy of Corporate Representative's MyKad (Front and Back) or Passport as well as his/her email address.</td></tr>
<tr><td></td><td>Authorised Nominee and Exempt Authorised Nominee
a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Proxy Form to submit the request.
b. Please provide a copy of Proxy Holder's MyKad (Front and Back) or Passport as well as his/her email address.
✓ You will receive notification(s) from Boardroom that your request(s) has/have been received and is/are being verified.
✓ Upon system verification against the General Meeting Record of Depositors as at 8 December 2021, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
✓ You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
✓ Please note that the closing time to submit your request for remote participation User ID and Password is on Monday, 13 December 2021 at 11:00 a.m. (48 hours before the commencement of the AGM)</td></tr>
<tr><th colspan="2">On the day of the AGM (15 December 2021)</th></tr>
<tr><td>3. Login to Virtual Meeting Portal</td><td>[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]
a. The Virtual Meeting Portal which can be accessed via one of the following methods will be opened for login starting an hour (1 hour) before the commencement of AGM on Wednesday, 15 December 2021 at 11:00 a.m.:
• Scan the QR Code provided in the email notification; or
• Navigate to the website at https://meeting.boardroomlimited.my
b. Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting Portal (Refer to Step 2 above).</td></tr>
</table>

On the day of the AGM (15 December 2021)	
Step	**Action**
4. Participate through Live	[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and identity of the participant raising the question.] a. If you would like to view the live webcast, select the broadcast icon. b. If you would like to ask a question during the AGM, select the messaging icon. c. Type your message within the chat box, once completed click the send button.
5. Online Remote Voting	a. Once voting has been opened, the polling page will appear with the resolutions and your voting choices. b. To vote, simply select your voting direction from the options provided. c. To change your vote, simply select another voting direction. d. If you wish to cancel your vote, please press "Cancel".
6. End of Remote Participation	a. Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end. b. You can now logout from Virtual Meeting Portal.

NO VOUCHERS/DOOR GIFTS

There will be **NO VOUCHER(S) OR DOOR GIFT(S)** for shareholders/proxies who participate in the AGM.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

In order to enhance the efficiency of the proceedings of the 17th AGM, shareholders may submit questions to the Company via Boardroom's website at https://investor.boardroomlimited.com/ **not later than Monday, 13 December 2021 at 11:00 a.m.** (48 hours before the commencement of the AGM) or select the messaging icon in Boardroom Smart Investor Portal to transmit questions via remote participation and electronic voting facilities during live streaming of the 17th AGM. If time permits, the Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by the shareholders which are related to the resolutions to be tabled at the AGM. The shareholders are encouraged to submit questions before the 17th AGM.

RECORDING OR PHOTOGRAPHY AT THE AGM

Strictly no recording or photography of the AGM proceedings is allowed.

ENQUIRY

If you have any enquiries prior to the AGM, please contact the following during office hours on Mondays to Fridays (except on public holidays):-

Boardroom Share Registrars Sdn. Bhd.
General Line : 603-7890 4700
Fax No. : 603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

PERSONAL DATA POLICY

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

PROXY FORM

TechnoDex

TECHNODEX BHD
[Registration No.: 200301025214 (627634-A)]
(Incorporated in Malaysia)

NO. OF SHARES HELD	
CDS ACCOUNT NO.	

I/We * ______________________________ NRIC/Passport/Registration No.* ______________________
[full name in capital letters]

of ____
[full address]

with email address ______________________________ mobile phone no. ______________________

being a member/members* of TECHNODEX BHD. ("the Company") hereby appoint(s):-

Full Name (in capital letters)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of shares	%
Full Address (in capital letters)			
Contact No.:			
Email Address:			

and/or *

Full Name (in capital letters)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of shares	%
Full Address (in capital letters)			
Contact No.:			
Email 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 Seventeenth Annual General Meeting of the Company to be held on a fully virtual basis and entirely via remote participation and electronic voting from the online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. on Wednesday, 15 December 2021 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her*discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM390,000 for the period from 16 December 2021 until the next Annual General Meeting of the Company.		
2.	To re-elect En. Saifulrizam Bin Zainal as a Director of the Company.		
3.	To re-elect Mr. Tan Boon Wooi as a Director of the Company.		
4.	To re-elect Ms. Heng Ling Jy as a Director of the Company.		
5.	To re-appoint CAS Malaysia PLT as Auditors of the Company.		
6.	To retain Mr. Steven Wong Chin Fung as an Independent Non-Executive Director of the Company.		
7.	To approve the general authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

No.	Special Resolution	For	Against
1.	To approve the Proposed Amendments to the Constitution of the Company.		

* delete whichever not applicable.

Dated this ____________________ day of ____________________, 2021

____
Signature/Common Seal of Member(s)

NOTES:

(a) A member who is entitled to attend, participate, speak and vote at the Seventeenth AGM ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak, and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

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

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or alternatively, the Proxy Form can be lodged electronically via "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 8 December 2021. Only members whose names appear in the General Meeting Record of Depositors as at 8 December 2021 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the Meeting at short notice. Kindly check Bursa Securities' and Company's website at www.technodex.com for the latest updates on the status of the Meeting.

PLEASE FOLD HERE

AFFIX
STAMP

The Share Registrar of

TechnoDex Bhd
[Registration No.: 200301025214 (627634-A)]

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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TechnoDex Bhd
[Registration No.: 200301025214 (627634-A)]
Unit E-07-03, Menara Suezcap 2,
KL Gateway, No. 2 Jalan Kerinchi,
Gerbang Kerinchi Lestari,
59200 Kuala Lumpur,
Malaysia
Tel: (603) 7932 0111
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