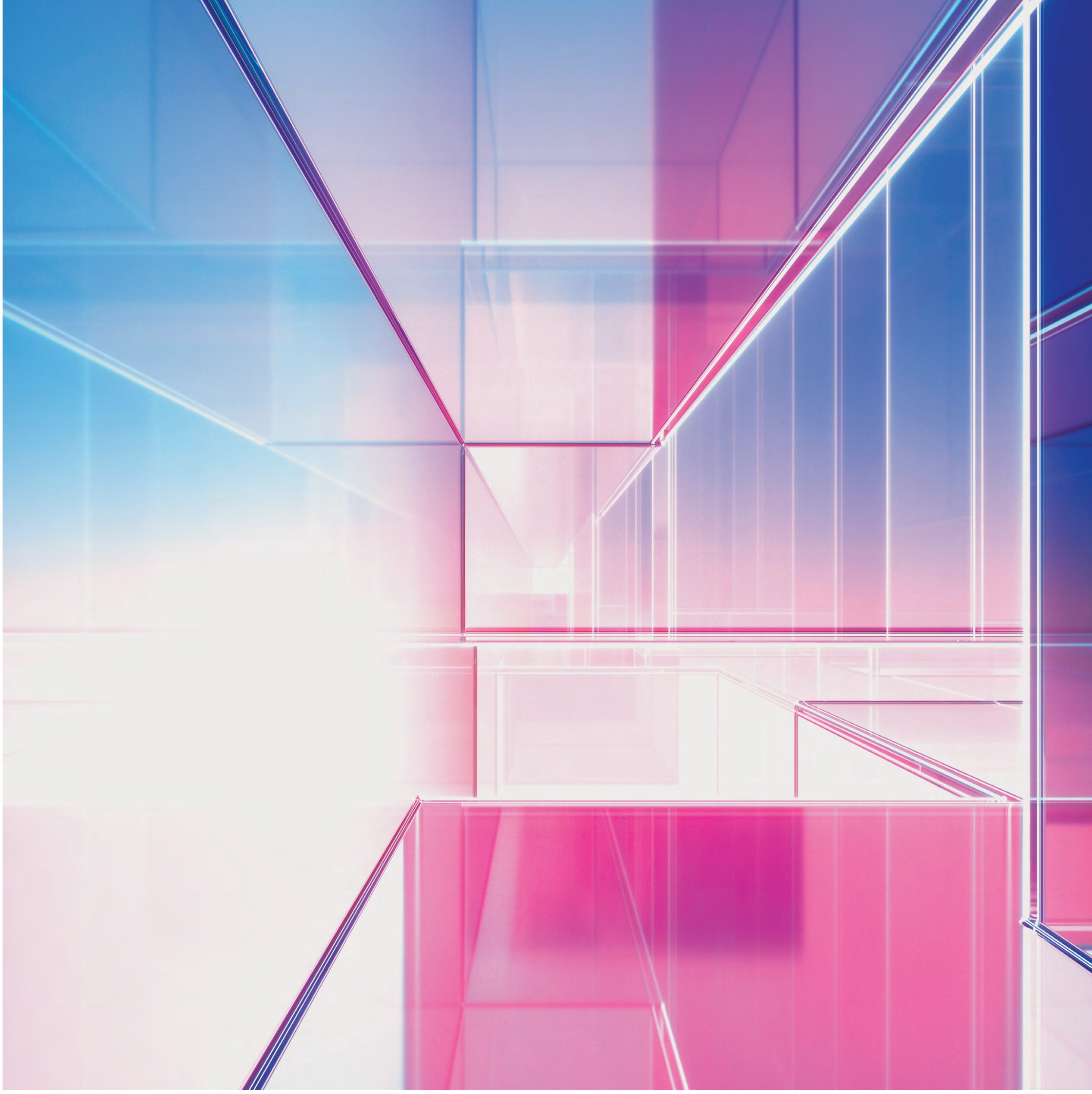
WWW.PRIVASIA.COM



ANNUAL REPORT 2021

PRIVASIA
TECHNOLOGY BERHAD

SIMPLIFYING BUSINESS THROUGH INNOVATION

SIMPLIFYING

BUSINESS

THROUGH

INNOVATION

PRIVASIA
TECHNOLOGY BERHAD

THANK YOU TO OUR SHAREHOLDERS

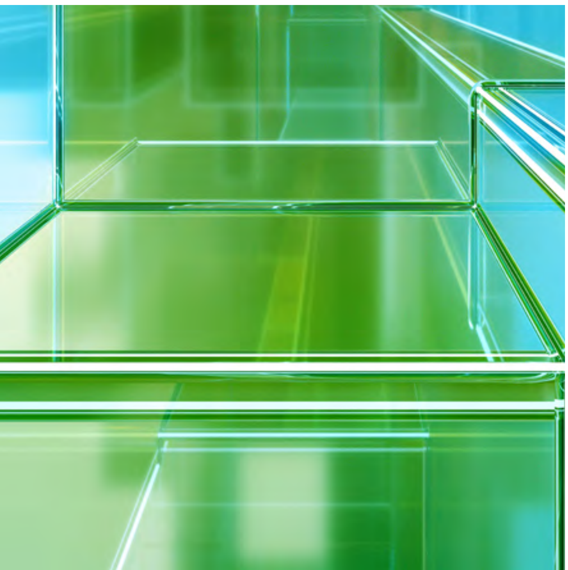
In 2021, our nation continued to face the challenges brought upon by the Covid-19 pandemic. Layered on top of that, we were wrought with the ramifications from natural disasters such as the December 2021 flash floods which had profound effects from a political, economic and social standpoint. Nevertheless, as the nation recovers, we are optimistic that 2022 will be a better year for all of us.

At PRIVASIA Technology Berhad and its group of companies ("PRIVASIA"), we believe that our company can only be successful in the long term by creating value both for our shareholders and for society. Hence, we aim to prioritise shareholder value at the forefront of all our products and solutions.

While it has been a tumultuous year for PRIVASIA to say the least, we have taken the time to streamline our operations and invest in the R&D for our products.

Ultimately, we thank the shareholders for the trust they have placed in us. We hope they will take the time to digest our 2021 Annual Report and understand PRIVASIA's growth plans and our strategy moving forward. We look forward to 2022 and beyond.

Notice Of the Fourteenth Annual General Meeting	4
Statement Accompanying Notice of the Fourteenth Annual General Meeting	7
Corporate Information	8
Corporate Structure	10
Financial Calendar	11
5 Year Financial Highlights	12
Board of Directors (including Key Senior Management)	14
Chairman's Statement	22
Management Discussion & Analysis	24
Sustainability Statement	30
Corporate Governance Statement	40
Audit & Risk Management Committee Report	64
Statement on Risk Management and Internal Control	68
Additional Compliance Information	74
Director's Report	76
Statements of Financial Position	80
Statements of Comprehensive Income	82
Statements of Changes in Equity	84
Statements of Cash Flow	87
Notes to the Financial Statements	91
Statement by Directors	172
Statutory Declaration	172
Independent Auditor's Report	173
Analysis of Shareholding	179
Property of the Group	182
Form of Proxy	



NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the **Fourteenth Annual General Meeting ("14th AGM")** of PRIVASIA Technology Berhad ("PRIVASIA" or "the Company") will be conducted on a fully virtual basis through online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on **Thursday, 30 June 2022 at 10.00 a.m.** for the following purposes:

AGENDA : AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon.	Please refer to Note 1 of the Explanatory Note
2.	To re-elect the following Directors who shall retire pursuant to Clause 165 of the Company's Constitution and being eligible, have offered themselves for re-election:-	
	i. Puvanesan A/L Subenthiran; and	Ordinary Resolution 1
	ii. Haslinda BT Hussein.	Ordinary Resolution 2
3.	To approve the payment of Directors' fees up to RM366,000 payable to the Directors of the Company from 1 July 2022 until the conclusion of the next AGM of the Company to be held in 2023.	Ordinary Resolution 3
4.	To approve the payment of Directors' benefits payable to the Directors of the Company up to RM50,000 from 1 July 2022 until the conclusion of the next AGM of the Company to be held in 2023.	Ordinary Resolution 4
5.	To approve the payment of Directors' fees and benefits of the Company's subsidiaries of RM34,800 for the financial year ended 31 December 2021.	Ordinary Resolution 5
6.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6

AGENDA : AS SPECIAL BUSINESS

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

7. **Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.** — Ordinary Resolution 7

"THAT pursuant to Section 75 and 76 of the Companies Act, 2016, Additional Temporary Relief Measures to Listed Corporations for Covid-19 issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 April 2020, its subsequent letter dated 23 December 2021 on Extension of Implementation of the 20% General Mandate and subject always to the approval of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company, from time to time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 20% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next AGM of the Company AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation of the additional shares so issued."

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

AGENDA : ANY OTHER BUSINESS

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and Company's Constitution.

BY ORDER OF THE BOARD,

WONG CHOW LAN (MAICSA 7012088)
(SSM PC NO. 201908000012)

FOO LI LING (MAICSA 7019557)
(SSM PC NO. 201908001737)
Company Secretaries
Petaling Jaya
Date : 29 April 2022

NOTES

1. The Meeting will be conducted fully virtual where shareholders are only allowed to participate remotely via live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities which are available on Boardroom Smart Investor Online Portal at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657)

   With RPEV facilities, a shareholder may exercise his/her right to participate and vote at the 14th AGM via the following mode of communication:

   i) Pose questions to the Board via real time submission of typed texts at Meeting Platform

   ii) Submit questions by logging into the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com prior to the Meeting. Please follow the procedures provided in the Administrative Guide for the 14th AGM in order to register, participate and vote remotely via RPEV facilities.

2. The Broadcast Venue is strictly a main venue of the 14th AGM where the Chairman will be present in compliance with Section 327(2) of the Companies Act 2016. No members/proxies from the public will be physically present at the Broadcast Venue on the day of the 14th AGM.

3. For the purpose of determining who shall be entitled to attend the 14th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at 23 June 2022. A Depositor whose name appears as such Record of Depositors shall be entitled to attend the Meeting.

4. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote on his/her behalf. Where a member appoints more than one (1) proxy, the member shall specifiy the proportion of the shareholding to be represented by each proxy, failing which the appointments shall be invalid.

5. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a Meeting shall have the same rights as the Member to speak at the Meeting.

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of its attorney duly authorised in writing.

7. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

8. Where a Member is an Exempt Authorised Nominee as defined under SICDA 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.

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

NOTES

9. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority, must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. and may either be in the following manner:-

   (i) Either by hand or post, at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; or

   (ii) Electronically via email at BSR.Helpdesk@boardroomlimited.com; or

   (iii) Electronic means via Share Registrars website, Boardroom Smart Investor Online Portal. Kindly follow the link at https://investor.boardroomlimited.com to log in and deposit your proxy form electronically.

   Not less than forty eight (48) hours before time for holding the Meeting i.e. latest by 28 June 2022 at 10.00 a.m or any adjournments thereof or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof.

10. Pursuant to Paragraph 8.31A(1) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, all the resolutions in the 14th AGM of the Company shall be put to vote by way of poll.

11. By submitting the proxy form, the member consents to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, including any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. AGENDA 1
REPORTS AND FINANCIAL STATEMENTS

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 do not require shareholders' approval for the financial statements. Hence, this Agenda is not to be put forward for voting.

2. AGENDA 3, 4 & 5
PAYMENT OF DIRECTORS' FEES AND BENEFITS

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 14th AGM on the Directors' fees and benefits under Resolution 3,4 & 5.

The Directors' benefits comprised of meeting allowance payable to Directors at each meeting.

Directors' Fees for the period from 1 July 2022 until the conclusion of the next AGM of the Company to be held in 2023.

Fees	Amount (RM)
Executive Directors	96,000
Non-Executive Directors	270,000
TOTAL	366,000

Directors' Benefits for the period from 1 July 2022 until the conclusion of the next AGM of the Company to be held in 2023.

Benefits	Amount (RM)
Executive Directors	17,000
Non-Executive Directors	33,000
TOTAL	50,000

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

Directors' Fees and Benefits of the Company's subsidiaries for the financial year ended 31 December 2021.

Fees	Amount (RM)
Directors Fees	34,800
TOTAL	34,800

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. AGENDA 7
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016.

At its 13th AGM which was held on 30 June 2021, the Company had obtained general mandate for its directors to issue shares up to 20% of the issued and paid-up capital of the Company. As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate obtained at the 13th AGM.

Bursa Securities via its letter dated 16 April 2020 has granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for the issuance of new shares of the Company for the time being. Subsequently, on 23 December 2021, Bursa Securities has resolved to extend the implementation period of the increased general mandate of 20% ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has mandated that the 20% General Mandate may be utilized by a listed corporation to issue new securities until 31 December 2022 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global Covid-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Companies Act 2016, from its shareholders at the forthcoming 14th AGM of the Company.

The purpose to seek the 20% General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organize a general meeting merely for such purpose. The 20% General Meeting will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding its business plans and ventures, future investment project(s), working capital and or acquisitions.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end if the Extended Utilisation Period, i.e. by 31 December 2022.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

STATEMENT ACCOMPANYING NOTICE OF THE 14TH AGM

Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

(a) Details of individuals who are standing for election as Directors

No individual seeking for election as a Director at the forthcoming 14th AGM of the Company.

(b) Statement relating to general mandate for issue of securities in accordance with Paragraph 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

Details on the proposed 20% General Mandate to enable the Directors of the Company to issue and allot shares under Section 76 of the Companies Act 2016 are as stated in the Explanatory Notes of the Notice of 14th AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' AZMAN BIN MAHMUD
Chairman /
Independent Non-Executive Director
Re-designated as a Chairman on 14 June 2021

PUVANESAN A/L SUBENTHIRAN
Chief Executive Officer /
Managing Director

ANDRE ANTHONY A/L HUBERT RENE
Deputy Chief Executive Officer /
Executive Director

HAIDA SHENNY BINTI HAZRI
Independent Non-Executive Director

HASLINDA BT HUSSEIN
Independent Non-Executive Director

LEONG KAH CHERN
Independent Non-Executive Director

RACHEL LAU JEAN MEI
Independent Non-Executive Director

DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI
Chairman /
Independent Non-Executive Director
Resigned on 17 May 2021

AUDIT & RISK MANAGEMENT COMMITEE

CHAIRMAN
HAIDA SHENNY BINTI HAZRI

MEMBERS
HASLINDA BT HUSSEIN

LEONG KAH CHERN
Appointed as a member on 2 August 2021

DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI
Resigned as a member on 17 May 2021

NOMINATION & REMUNERATION COMMITTEE

CHAIRMAN
LEONG KAH CHERN
Appointed as a Member and Chairman on 1 December 2021

MEMBERS
HAIDA SHENNY BINTI HAZRI
Re-designated as a Member on 1 December 2021

RACHEL LAU JEAN MEI
Appointed as a member on 17 May 2021

DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI
Resigned as a member on 17 May 2021

INVESTMENT COMMITTEE

CHAIRMAN
HASLINDA BT HUSSEIN

MEMBERS
PUVANESAN A/L SUBENTHIRAN

ANDRE ANTHONY A/L HUBERT RENE
Alternate to Puvanesan A/L Subenthiran

RACHEL LAU JEAN MEI
Appointed as a member on 6 September 2021

LEONG KAH CHERN
Appointed as a member on 15 February 2022

HAIDA SHENNY BINTI HAZRI
Resigned as a Member on 6 September 2021

DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI
Resigned as a member on 17 May 2021

CORPORATE INFORMATION

SHARE REGISTRARS

BOARDROOM SHARE REGISTRARS SDN. BHD.
Company Registration No.: 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Semangat
(Jalan Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7890 4700
Fax : +603-7890 4670

STOCK EXCHANGE LISTING

ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD
Stock Name : PRIVA
Stock Code : 0123

AUDITORS

BAKER TILLY MONTEIRO HENG PLT
201906000600 (LLP0019411-LCA)
(AF 0117)
Chartered Accountants
Baker Tilly Tower, Level 10
Tower 1, Avenue 5, Bangsar South City
59200 Kuala Lumpur
W.Persekutuan (KL)
Tel : +603-2297 1000
Fax : +603-2282 9980

REGISTERED OFFICE

62C, Jalan SS21/62, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Tel : +603-7729 3337

COMPANY SECRETARIES

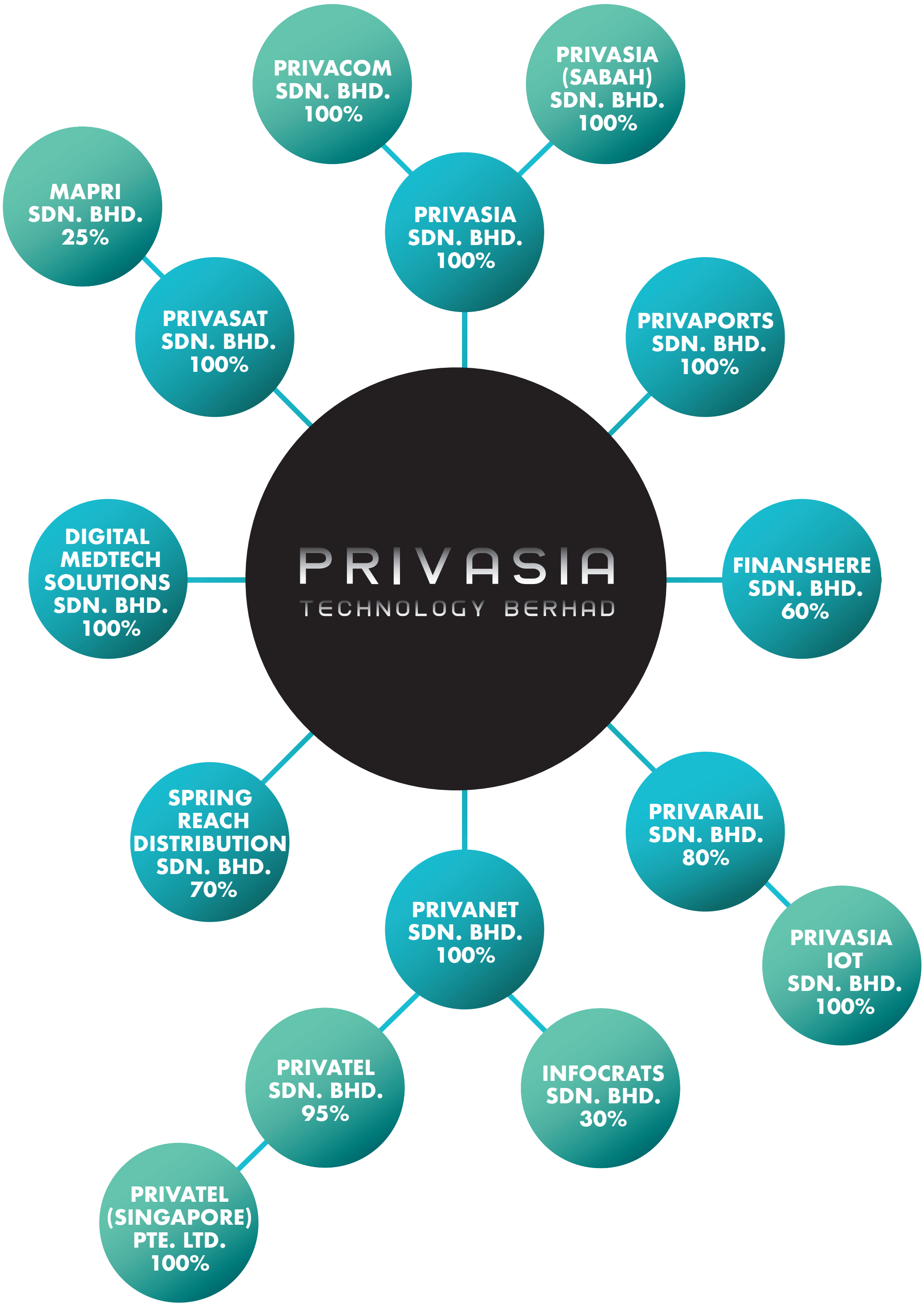
WONG CHOW LAN
MAICSA 7012088
SSM PC NO. 201908000012

FOO LI LING
MAICSA 7019557
SSM PC NO. 201908001737

WEBSITE

https://www.PRIVASIA.com

CORPORATE STRUCTURE AS AT 31 DECEMBER 2021



FINANCIAL CALENDAR

BURSA ANNOUNCEMENTS 2021

Date	Content
16 FEB 2021	*Shareholders' Agreement Between Privanet Sdn. Bhd., Ng Sau Foong And Mohamad Firhan Bin Mohd Basheer* PRIVASIA's wholly-owned subsidiary, Privanet Sdn. Bhd. had entered into a shareholders' agreement with Ng Sau Foong and Mohamad Firhan Bin Mohd Basheer for the purpose of regulating the relationship between the shareholders in Strategos Advisory Sdn. Bhd. ("SASB") upon the acquisition of 60% equity in SASB. The purpose of the Acquisition is for PRIVASIA to venture into the Malaysian market for the provision of electrical M&E, lighting services and IOT Software Development.
31 MAR 2021	*Announcement Of Q4FY20 Financial Results*
8 APRIL 2021	*Announcement Of New Chairman And Introduction Of New Shariah Compliant Product* Appointment of Dato' Mohamed Sharil Bin Mohamed Tarmizi as the Chairman of Finanshere Sdn. Bhd. (a wholly-owned subsidiary of PRIVASIA) and the introduction of FinansHere, its Shariah compliant supply chain financing platform.
17 MAY 2021	*Appointment Of New Independent And Non-Executive Directors* Appointment of the following individuals as new Independent and Non-Executive Director of PRIVASIA: i. Dato' Azman Bin Mahmud | ii. Mr Leong Kah Chern; and | iii. Ms Rachel Lau Jean Mei.
17 MAY 2021	*Announcement Of Changes In Boardroom* Dato' Mohamed Sharil Bin Mohamed Tarmizi steps down as Independent Non-Executive Chairman of PRIVASIA following his appointment to the Board of Directors of Digital Nasional Berhad.
25 MAY 2021	*Announcement Of Q1FY21 Financial Results*
14 JUNE 2021	*Redesignation Of Dato' Azman Bin Mahmud* Dato' Azman Bin Mahmud re-designated from Independent and Non-Executive Director to Chairman of PRIVASIA
30 JUNE 2021	*13th Annual General Meeting* All resolutions set out in the notice to shareholders were approved.
16 JUL 2021	*Award Of Contract From Westports Malaysia Sdn. Bhd.* PRIVASIA's wholly-owned subsidiary, Privasia Sdn. Bhd. had entered into a contract with Westports Malaysia Sdn. Bhd. to provide IT-related services.
4 AUG 2021	*Letter Of Award To Supply Technology And Managed Services To Redberry Contact Centre Sdn. Bhd.* PRIVASIA's wholly-owned subsidiary, Privasia Sdn. Bhd. accepted an award to supply Technology and Managed Services to Redberry Contact Center Sdn. Bhd.'s call centre operations.
26 AUG 2021	*Announcement Of Q2FY21 Financial Results*
15 OCT 2021	*Letter Of Acceptance With The Ministry Of Entrepreneur Development And Cooperatives (MEDAC)* PRIVASIA announced that its wholly-owned subsidiary, Privasia Sdn. Bhd. had successfully procured a contract with MEDAC for the maintenance of the Licensing Electronic Support System Application (BLESS) for a duration period of 36 months effective from 1 November 2021.
23 NOV 2021	*Announcement Of Q3FY21 Financial Results*
24 NOV 2021	*Termination Of Shareholders' Agreement* PRIVASIA's wholly-owned subsidiary, Privanet Sdn. Bhd. had on 24 November 2021 entered into a termination agreement with Ng Sau Foong and Mohamad Firhan Bin Mohd Basheer, for the disposal of its 60% equity interests in Strategos Energy Sdn. Bhd. (formerly known as Strategos Advisory Sdn. Bhd.).
28 FEB 2022	*Announcement Of Q4FY21 Financial Results*

5 YEARS FINANCIAL HIGHLIGHTS

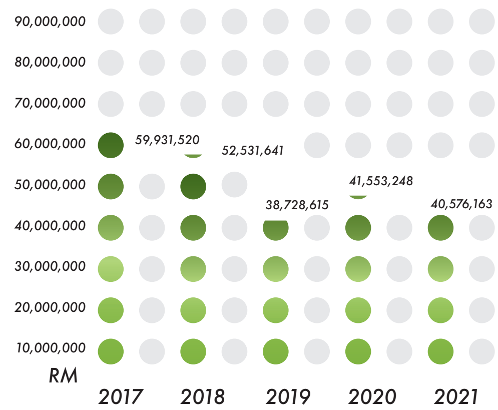
***PRIVASIA'S 5-YEAR FINANCIAL RESULTS.** As we thought that we were on track to returning to profitability, Covid-19 has derailed our plans and we had to re-strategise. The PRIVASIA team therefore focused on cost-saving plans and streamlining operational efficiencies.*

We ended 2021 by narrowing the Operating Losses to our lowest level yet among the previous 5 financial years. PRIVASIA's 5 years financial highlights are as follows:

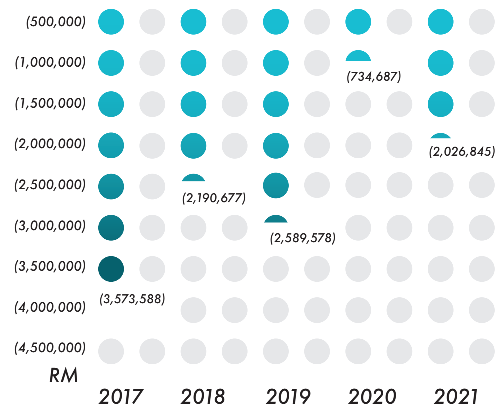
Description	2017 RM	2018 RM	2019 RM	2020 RM	2021 RM
Operating Revenue	59,931,520	52,531,641	38,728,615	41,553,248	40,576,163
Operating Loss Before Impairment Of Goodwill	(3,573,588)	(2,190,677)	(2,589,578)	(734,687)	(2,026,845)
Operating Loss	(3,573,588)	(2,190,677)	(3,058,574)	(4,062,687)	(2,026,845)
Loss Before Tax	(5,302,309)	(3,715,684)	(4,456,962)	(5,025,364)	(2,704,627)
Loss After Tax	(7,060,076)	(4,818,102)	(5,241,688)	(6,449,668)	(2,303,437)
Net Loss Attributable To Equity Holders	(7,183,660)	(3,960,136)	(4,661,184)	(6,311,832)	(1,971,572)
Total Assets	130,274,699	111,334,693	96,037,762	93,472,213	82,870,848
Total Liabilities	57,078,173	44,216,032	34,124,183	31,200,353	22,865,605
Shareholders Equities	73,257,953	68,225,534	62,416,841	62,912,918	60,933,678
Net Assets Per Share (RM)	0.13	0.12	0.11	0.10	0.10
Loss Per Share (Sen)	(1.29)	(0.71)	(0.84)	(1.03)	(0.32)

5 YEARS FINANCIAL HIGHLIGHTS

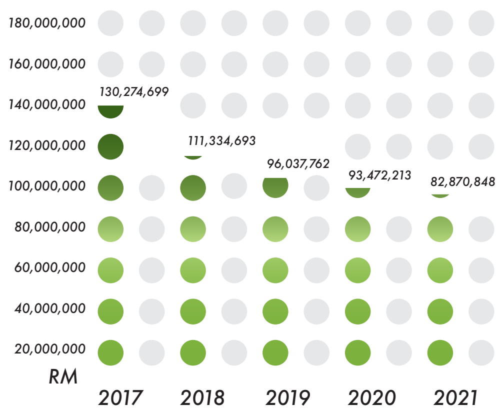
OPERATING REVENUE



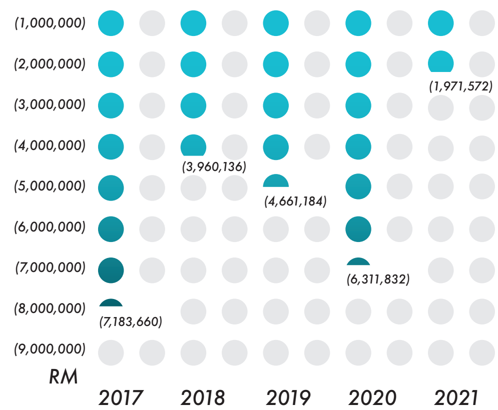
OPERATING LOSS BEFORE IMPAIRMENT OF GOODWILL



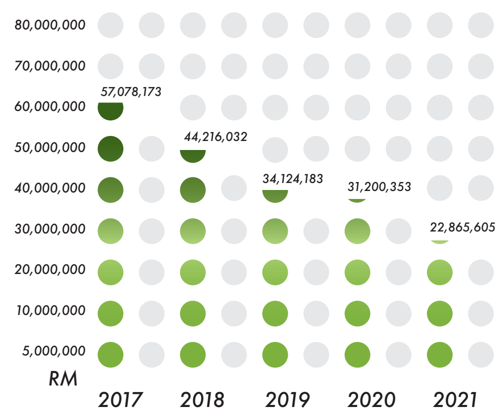
TOTAL ASSETS



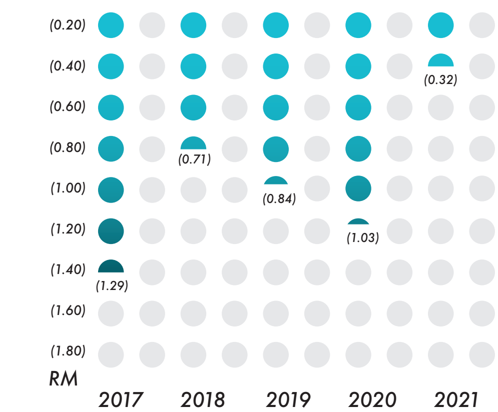
NET LOSS ATTRIBUTABLE TO EQUITY HOLDERS



TOTAL LIABILITIES



LOSS PER SHARE (SEN)



BOARD OF DIRECTORS *(INCLUDING KEY SENIOR MANAGEMENT)*

BOARD OF DIRECTORS

PRIVASIA recognises that appropriate corporate governance and board oversight is more important now than ever. Therefore, the Company has appointed a size and composition of directors which we believe contains the right mix of technical skills, attributes and competencies to provide effective oversight and leadership to steer us forward.

DATO' AZMAN BIN MAHMUD

Chairman / Independent Non-Executive Director
61 years of age, Male, Malaysian

Dato' Azman Bin Mahmud ("Dato' Azman") was appointed as an Independent Non-Executive Director of PRIVASIA on 10 May 2021. Subsequent to the departure of Dato' Mohamed Sharil Bin Mohamed Tarmizi following his appointment as a Director in Digital Nasional Berhad, Dato' Azman was re-designated as Chairman of PRIVASIA on 14 June 2021.

An Agricultural Engineering alumnus from University Putra Malaysia, Dato' Azman is the illustrious former chief executive officer ("CEO") of the Malaysian Investment Development Authority ("MIDA") where he served for over three decades. Having served MIDA since 1989 until his retirement on 1 April 2021, Dato' Azman has held various responsibilities and was also posted overseas for his vast industry know-how. As the CEO, he led MIDA in towards achieving national investment targets from 2014 till 2021. He also led the transformation of MIDA towards becoming a world-class Investment Promotion Agency.

Dato' Azman, who has held various Board positions, has been a member of various government agencies and special task forces related to the development of businesses and investments and is known for his collaborative leadership within the corporate ecosystem.

Aside from being the Chairman of PRIVASIA, Dato' Azman also chairs the Board of Directors for the following organisations: Panasonic Manufacturing Malaysia Bhd, Cynergenz Bhd, SME Aerospace (SMEA) Sdn. Bhd., UPM Holdings Sdn. Bhd. and EXIM Bank of Malaysia Berhad. He also holds various other Board positions in GDEX Bhd, and Kulim Technology Park Corp. In addition, he is a member of a number of organisations related to the development of businesses and investments, such as Invest Sabah Bhd and Penjana Kapital. For Penjana Kapital, Dato' Azman sits on its Investment Panel to offer his guidance and expertise. He also joined the Board of the charitable organisation Akademi Transformasi Asnaf Maips Sdn. Bhd. in late 2021.

His past leadership repertoire includes directorships in Malaysia Petroleum Resources Corporation (MPRC), Collaborative Research in Science, Engineering & Technology (CREST) (Chairman), Regional Corridor Development Authority (RECODA) (Director and Member of Audit Committee), InvestKL, Johor Corporation (JCorp), Special Task Force to Facilitate Business (PEMUDAH) (Permanent Member), Cyberjaya Implementation Council (Permanent Member) and Iskandar Regional Development Authority (IRDA) (Member of Approvals and Implementation Committee (AIC)).

Dato' Azman has also attended several leadership and professional development courses from renowned training institutes such as 'A Cutting Edge of Development Thinking', Harvard Kennedy School, John F. Kennedy School of Government, USA; 'Leading Change & Organisation Renewal', Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Crotonville, New York, USA; and Temasek Foundation International Asia Leader's Connect, Singapore.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has no convictions for offences within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions nor penalty by the relevant regulatory bodies during the financial year 2021.

Dato' Azman attended five (5) Board of Directors' Meetings which were held in the financial year ended 31 December 2021.

PUVANESAN A/L SUBENTHIRAN

Chief Executive Officer
Managing Director
46 years of age, Male, Malaysian

Puvanesan A/L Subenthiran ("Mr. Puvanesan") is one of the founding members of PRIVASIA Group, and was appointed as the Group Chief Executive Officer ("CEO") and Managing Director of PRIVASIA on 4 May 2009. He was appointed to the board of Privasia Sdn. Bhd. on 4 August 2004. He is also a member of PRIVASIA's Investment Committee.

He graduated with a BA (Hons) in Accounting and Finance from London South Bank University and holds a Diploma in Economics from the National Council for Educational Awards, Ireland.

He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

He has completed the Senior Management Development Program and Program for Leadership Development at the Harvard Business School. Prior to this, Mr. Puvanesan was a senior in the Business Advisory and Assurance Department of BDO Simpsons Xavier in Ireland. Upon his return to Malaysia, Mr Puvanesan held the position of Chief Financial Officer of the Makmal Jaya Group.

During the financial year under review, he was appointed as a Non-Executive Director of Malaysia Debt Ventures Berhad since January 2021 and he also hold directorships in a number of private limited companies incorporated in Malaysia. He does not hold any other directorships in public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has no convictions for offences within the past five (5) years other than traffic offences and has not been imposed any public sanctions and penalty by the relevant regulatory bodies during the financial year 2021.

He attended all the seven (7) Board Meetings which were held in the financial year ended 31 December 2021.

ANDRE ANTHONY A/L HUBERT RENE

Deputy Chief Executive Officer/ Executive Director
46 years of age, Male, Malaysian

Andre Anthony A/L Hubert Rene ("Mr. Andre") is one of the founding members of PRIVASIA, and was appointed as Deputy Chief Executive Officer of the Group on 4 May 2009. He is an alternate member for Mr. Puvanesan in the Investment Committee.

He is a LLB (Hons) graduate from the University of Wales, College of Cardiff.

He began his working career while still at university, working as an intern with the New Straits Times press in 1996 followed by a short stint in a legal firm the following year.

Upon graduation, Mr. Andre moved into the dotcom business with Dreammotor.com as a member of its business development team. He was involved in setting up the company and the expansion of its operations and business to Singapore and Hong Kong. Mr. Andre's passion, however, was very much in the logistics industry and he eventually joined Westports' IT Department to harness his skills in this area. The various IT research studies carried out while at Westports led him to believe that there was an information technology gap to be filled in the port and shipping industry. Coupled with his IT experience from his stint at Dreammotor.com, he ventured full-time into IT consultancy.

Once fully into the IT field, Mr. Andre harnessed his skills in various areas of IT as well as in the management and operations of running a business. He helped steer and grow PRIVASIA from a small IT company focused on a niche area to the large group that it is today.

Mr. Andre is a graduate of the Harvard Business School Senior Management Development Program. He was the President of the Harvard Business School Alumni Club of Malaysia's associate wing from 2010-2012. He was also an independent director of the Labuan Port Authority from June 2017 to May 2018.

He currently holds directorships in a number of private limited companies and he does not hold any other directorship in public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has no convictions for offences within the past five (5) years other than traffic offences and has not been imposed any public sanctions and penalty by the relevant regulatory bodies during the financial year 2021.

He attended all the seven (7) Board Meetings which were held in the financial year ended 31 December 2021.

HAIDA SHENNY BINTI HAZRI

Independent Non-Executive Director
48 years of age, Female, Malaysian

Haida Shenny Binti Hazri ("Ms Haida") was appointed as an Independent Non-Executive Director of PRIVASIA on 9 August 2018. She is the Chairman of the Audit and Risk Management Committee. On 1 December 2021, Ms Haida was re-designated as a member of the Nomination and Remuneration Committee in which she was previously a Chairman and resigned as a member of the Investment Committee on 6 September 2021.

She graduated with a Bachelor of Commerce in Accounting and Finance, as well as a Bachelor of Laws (LLB) from the University of Melbourne, Australia. She also holds a Masters of Law from University Malaya.

She has more than 20 years of experience in the oil and gas industry.

Ms Haida commenced her career with PETRONAS where she undertook legal and commercial roles in PETRONAS E&P, LNG and Technology Businesses. Her last position in PETRONAS was Chief Executive Officer of PETRONAS Technology Ventures Sdn. Bhd. She also served on various Boards of PETRONAS companies such as PETRONAS Global Technical Solutions Sdn. Bhd., PETRONAS Technology Ventures Sdn. Bhd., PETROSAINS Sdn. Bhd., as well as the technology company which PETRONAS invested in,Lanzatech New Zealand Ltd. While in PETRONAS, she was also part of various corporate strategic studies and initiatives.

After leaving PETRONAS in 2012, she joined Sapura Energy (known as SapuraKencana Petroleum at that time) and held the position of Vice President of Strategy and New Ventures (E&P). She was part of the team that worked on the building of the E&P business for Sapura.

Ms Haida also held the position of Chief Executive Officer of Matrix Reservoir Sdn. Bhd., owner and operator of Tok Bali Supply Base, which built and operationalised the third supply base in Malaysia. She then joined Bintulu Supply Base Sdn. Bhd. to build a supply base in Bintulu, Sarawak where she served as the Chief Executive Officer until 2019.

Ms Haida serves on the Board of various public companies and listed issuers. She is currently a Non-Independent Non-Executive Director in Velesto Energy Berhad, a listed issuer on the Main Market of Bursa Malaysia since June 2017. On 13 January 2021, she was appointed as Independent Non-Executive Chairperson of Keyfield International Berhad, a public company incorporated in Malaysia .

She is also a Non-Independent Non-Executive Director of Matrix Reservoir Sdn. Bhd., a subsidiary of Ahmad Zaki Resources Berhad (AZRB) since 2019. She also holds directorship in other private limited companies

She currently sits on the Oil and Gas Industry Advisory Panel of Malaysia Petroleum Resource Corporation (MPRC). She is also a member of the Melbourne University Alumni Council.

She currently undertakes advisory work through Putih Advisors Asia Sdn. Bhd., focusing on areas relating to E&P, LNG, supply base and port related matters.

She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company.

She has no convictions for offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanctions and penalty by the relevant regulatory bodies during the financial year 2021.

She attended all the seven (7) Board Meetings which were held in the financial year ended 31 December 2021.

HASLINDA BT HUSSEIN

Independent Non-Executive Director
44 years of age, Female, Malaysian

Haslinda BT Hussein ("Ms Haslinda") was appointed as an Independent Non-Executive Director of PRIVASIA on 12 November 2018. She is a member of the Audit and Risk Management Committee and the Chairman of the Investment Committee.

She graduated with a Degree in Commerce majoring in Accounting from the Adelaide University, Australia. She is a Chartered Accountant with Chartered Accountants Australia and New Zealand and a member of the Malaysian Institute of Accountants.

Ms Haslinda began her career in 2000 as an auditor in Arthur Andersen and later in Ernst & Young, Malaysia. She then joined PETRONAS from year 2003 to 2016 with her last position being Head of Strategic Planning and Portfolio Management.

During her 13 years in PETRONAS, she also held other senior positions including Head of Group Planning & Performance and Head of Group CFO Office where she played an instrumental role in a stapled REIT listing and corporate bond issuance. Her experience in PETRONAS also includes tax, budgeting, financial modelling, financial accounting, reporting and management.

Currently, she manages an investment holding company which also operates one of the biggest private art galleries in Malaysia.

On 1 May 2021, Ms Haslinda was appointed as an Independent Non-Executive Chairperson of Steel Hawk Berhad, a company listed on the Leap Market of Bursa Malaysia.

She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company besides related party transactions where the relevant disclosures have been made.

She has no convictions for offences within the past five (5) years other than traffic offences and has not been imposed any public sanctions and penalty by the relevant regulatory bodies during the financial year 2021.

She attended all the seven (7) Board Meetings which were held in the financial year ended 31 December 2021

LEONG KAH CHERN

Independent Non-Executive Director
50 years of age, Male, Malaysian

Leong Kah Chern ("Mr Danny') was appointed as an Independent Non-Executive Director of PRIVASIA on 10 May 2021. On 1 December 2021, he was appointed as the Chairman of the Nomination and Remuneration Committee and has been a member Audit and Risk Management Committee since 2 August 2021. On 15 February 2022, Mr Danny was appointed as a member of the Investment Committee.

He graduated with a Bachelor of Arts (majoring in Accounting and Financial Management) from the University of Essex, United Kingdom. He also graduated from Harvard Business School after completing the Competing on Business Analytics and Big Data programme.

Mr Danny started his career at Accenture Malaysia Sdn. Bhd. (formerly known as Andersen Consulting) focusing on telecommunications consulting in 1994. He left Accenture as a Senior Manager in 2003 and co-founded Adeptis Solutions Sdn. Bhd. ("Adeptis") which provides automotive solutions and business consulting services to their clients. In 2006, Adeptis was acquired by Cuscapi Berhad ("Cuscapi') (formerly known as Datascan Berhad) and Mr Danny became the Group CEO of Cuscapi until 2010. During his time at Cuscapi, together with his team, he managed to turnaround the loss-making business into profit within the first year of management.

After Cuscapi, Mr Danny joined e-pay (M) Sdn. Bhd. ("e-pay), a wholly owned subsidiary of EPY Capital Holdings Limited in 2010 as the CEO bringing in new talents and ideas to position e-pay as the largest mobile prepaid reload and bill payment network provider in Malaysia. In addition, he spearheaded the aggressive and regional growth of the company.

After e-pay was acquired by GHL Systems Berhad ("GHL) in 2014, Mr Danny assumed the role of CEO of GHL, where he was tasked to merge the operations of both GHL and e-pay while developing and executing strategies to increase GHL's presence in Malaysia through payment services provided by both businesses.

In June 2015, he assumed the leadership role of GHL's Strategic Planning unit to focus on defining the group's strategy as well as implementing them. He was tasked to turnaround GHL Thailand's business and start up GHL Indonesia business. Mr Danny was appointed as Group CEO of GHL on 1 December 2016. As Group CEO, he was responsible for overseeing the operations for the entire group, reporting directly to the Vice Executive Chairman and Board of Directors. Mr Danny was tasked to drive the growth of the group to be the largest non-bank payment acceptance acquirer in ASEAN.

During his time as Group CEO, GHL was awarded the prestigious Asia's Corporate Excellence and Sustainability Award as Asia's Best Performing Company as well as The Edge's Billion Ringgit Club Award in 2019.

Having left GHL on 31 December 2020, he is currently focusing on strategic advisory work in the fintech industry.

Mr Danny was awarded the Emerging Entrepreneurs Award for Outstanding & Exemplary Achievements in Entrepreneurship in 2007 and The Brand Leadership Award by The BrandLaureate in 2020.

He does not hold any other directorship in public companies and listed issuers.

He does not have any family relationship with any director and/or major Company and has no conflict of interest with the Company.

He has no convictions for offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanctions nor penalty by the relevant regulatory bodies during the financial year 2021.

Mr Danny attended five (5) Board of Directors' Meetings which were held in the financial year ended 31 December 2021.

RACHEL LAU JEAN MEI

Independent Non-Executive Director
36 years of age, Female, Malaysian

Rachel Lau Jean Mei ("Ms Rachel") was appointed as an Independent Non-Executive Director of PRIVASIA on 10 May 2021. On 17 May 2021 and 6 September 2021 respectively, Ms Rachel was appointed as a member of the Nomination and Remuneration Committee and the Investment Committee.

Ms Rachel, who holds a Bachelor of Commerce with Distinction from the Australian National University and a Master of Laws from University of Sydney, is the Managing Partner and Co-Founder of RHL Ventures Sdn. Bhd. ("RHL Ventures"). RHL Ventures is a Southeast-Asian based investment firm that invests in intergenerational capital and revolutionary entrepreneurs looking to disrupt existing ways of doing business whilst making an impact in society.

Prior to that, Ms Rachel had years of experience in investment management during her tenure with Heitman Investment Management and ING Investment Management.

Ms Rachel was one of the youngest independent directors in a New York Stock Exchange listed company, GNC Holdings (NYSE: GNC), privatized by CITIC Capital Holdings Limited in 2020. She has served on many other technology boards including Healthmetrics Sdn. Bhd. and Glife Technologies Pte Ltd. During the financial year under review, she also served as a Board Member in other private limited companies.

Rachel also sits on the Board of Caring Pharmacy Bhd and serves as the Board of Governors for Charterhouse Malaysia. She is on the panel of experts in the Ministry of Youth and Sports and serves as the Country Chair for Global Dignity Malaysia.

In 2018, Ms Rachel was named as 50 People who are Redefining the Way We Live by Business Times Singapore.

She does not hold any other directorship in other listed issuers.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

She has no convictions for offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanctions nor penalty by the relevant regulatory bodies during the financial year 2021.

She attended five (5) Board of Directors' Meetings which were held in the financial year ended 31 December 2021.

DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors ("the Board"), I am honoured to present to you the Annual Report and Audited Financial Statements of PRIVASIA for the financial year ended 31 December 2021 ("FYE2021").

The spill over of the coronavirus disease ("Covid-19") into FYE2021 had resulted in another challenging year for us indeed. Businesses grappled with disruptions globally while supply chains continued to be affected. Even with the re-opening of the various economic sectors, the world battled with the emergence of one new Covid-19 variant after another. Nevertheless, it is encouraging to see that countries are beginning to open up their borders, albeit cautiously. Light seems to be appearing at the end of the tunnel.

Nonetheless, the Group dug deep and weathered the Covid-19 storm in FYE2021. In fact, we upgraded our product offering (FinansHere), locked in contract renewals and secured key customers. We strongly believe we are poised for years of growth ahead as we work to form good rapport within the Information Technology ("IT"), Information and Communications Technology ("ICT") and Satellite-based services ("SAT") industries.

2020 AWARD WINNER
AT THE MALAYSIA TECHNOLOGY EXCELLENCE AWARD
FOR ENTERPRISE SOFTWARE & IT SERVICES

FINANCIAL PERFORMANCE

In the financial year under review, the Group reported a lower revenue of RM40.6 Million, registering a reduction of 2.4% as compared to the preceding year's RM41.6 Million. During the year, the operating loss before impairment of goodwill was RM2.0 Million as compared to its corresponding year's loss of RM0.7 Million.

The Group's revenue was mainly driven by its IT segment where the contribution was 82.0% of the total revenue followed by the ICT segment at 10.5% and SAT segment at 7.4%.

INDUSTRY PROSPECTS AND ECONOMIC OUTLOOK

Bank Negara Malaysia revealed that the local economy grew by 3.1% in 2021 amidst a pandemic-induced year. This is in comparison to a 5.6% shrink in 2020. We are heartened by such reassuring signs that the worst may be over for Malaysia's economy.

According to the World Bank, Malaysia's economy is expected to be on a recovery path in 2022. Growth, projected at 5.5% in 2022, is expected to be anchored by a rebound in domestic demand and continued expansion in exports. We are optimistic that with the increased vaccination rates worldwide, global economic recovery will continue in 2022.

On the technology front, the pandemic has highlighted the importance for businesses to digitalise more than ever. The Group intends to capitalise on this. The team has been tirelessly working to identify strategic opportunities and upgrade the products to enhance customer experience. Ultimately, we aim to become a leading player in our field.

Further, global adoption of 5G is increasing exponentially year on year. Reports by Ericsson suggest that by 2022, 5G adoption will surpass the one billion mark. With the injection of RM11 billion to deploy Malaysia's 5G network over the next 10 years, we believe PRIVASIA will be in good stead to benefit from the 5G roll-out.

We aim to be opportunistic in our decisions as we seek to enhance shareholder value and ensure long-term earnings profitability.

APPRECIATION

On behalf of the Board, I would like to record my sincere appreciation to the management team and staff for their dedication, collective efforts and loyalty as we navigate through this challenging period. All credit goes to the team.

My heartfelt thanks to our valued shareholders, clients, suppliers, bankers and affiliates for your continuous vote of confidence and support. Your faith in us is truly appreciated.

Lastly, I would like to express my appreciation and gratitude for the support of my fellow directors for the commitment, invaluable advice and service. We will continue charting greater milestones in our journey as we look to grow together as a Group in 2022.

Dato' Azman Bin Mahmud
Chairman / Independent Non-Executive Director

OVERVIEW OF GROUP OPERATIONS

The journey in 2021 was merely a spill over from 2020 with Covid-19 related issues monopolising headlines. Less bumpy at best, the journey in 2021 was still very much roller coaster related. Lockdowns of varying degrees of restrictions were imposed to curb the increase in infection rate nationwide. Coupled with a reduction in customer orders and logistic difficulties which led to longer delivery times, PRIVASIA had to consider alternatives to ensure it consistently generated revenue especially during the Movement Control Order ("MCO") period.

Nevertheless, on a positive note, the one thing which PRIVASIA can take away from this pandemic is that our belief has been proven correct whereby digitalisation is the way forward.

Thus in 2021, to accelerate PRIVASIA's digital transformation, the team worked hard to trim down operational costs, introduced stringent cost optimization measures and poured resources into product development.

Our investment in pivoting towards digitalisation has been a strategic win that has enabled the Group to reach out to its intended audience despite multiple lockdowns. Our success is further visible with the launch of our Syariah compliant supply chain financial platform (FinansHere) during the start of the second quarter of 2021.

For the financial year ending 2022, the Group will continue to tender for more projects and serve a wider field of customers. The Board is positive that with the expertise and experience of its key management personnel, PRIVASIA will be able to weather the challenges against prevailing market uncertainties as it continues to build on its core businesses and seek growth opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS
OPERATIONS REVIEW BY SEGMENT

OPERATIONS REVIEW BY SEGMENT

The goal in 2021 was to expand our product offerings, conduct cost rationalisation and operational efficiency as we realised 2021 was to be largely affected by the pandemic.

We saw it as an opportunity presenting itself for us to tidy up our business and to position ourselves better as a leading outsourcing player in the industry.

INFORMATION TECHNOLOGY ("IT") SEGMENT

As a key business process outsourcing player in Malaysia, PRIVASIA's core business since incorporation has been in IT infrastructure outsourcing, consultancy and systems integration. PRIVASIA's core IT products are PROCUREHERE (a Source-to-Pay digital procurement solution), FinansHere (a Syariah compliant supply chain financing platform) and i-Tap (an Integrated Port Management Solution).

PROCUREHERE's main function is to streamline workflows, real-time data and innovative features to organise, allocate, track and report on their activities from a single platform.

A 2020 award winner at the Malaysia Technology Excellence Award for Enterprise Software & IT Services, the success of PROCUREHERE is apparent as its total user count, consisting of customers and suppliers across the nation, currently stands at 23,044 users.

Only 2 years ago, the user count clocked in at 15,258 users. This represents a 51.03% jump over two years. The number itself speaks for our success and these are by no means non-active customers.

The platform generates an average of 2,612 monthly transactions worth approximately RM4.2 Billion showcasing its reliability and efficiency via the consistent use of the platform by its customers.

In April 2021, the Group delved deeper into the FinTech world with the launch of FinansHere. FinansHere aims to facilitate a more optimised working capital management by collaborating with 4 -5 different pools of funds to assist funding PROCUREHERE's registered users and vendors.

An extension of the PROCUREHERE ecosystem, FinansHere stems from PRIVASIA's desire to produce innovative value-added products at its core as it drives growth within its IT segment. FinansHere has been widely received by customers and suppliers, boasting names such as Malaysia Airports, Indah Water Konsortium, Felda Global Ventures, SME Bank and Westports, among its clientele.

Leveraging on PRIVASIA's knowledge of the port business, the PRIVASIA team developed i-Tap as an end-to-end Multi-Cargo Terminal Operating System through its subsidiary, Privaports Sdn. Bhd.. The i-Tap system utilises a fully modular cloud-based solution which allows ports to only choose modules that are suitable to them based on their respective operational model and budget allocation.

PRIVASIA via its subsidiary, Privaports has expanded the use of i-Tap software to 5 terminals locally, with a target of adding new terminals in 2022 and expanding regionally.

Revenue for the IT division stood at RM34.2 Million, compared to RM34.7 Million in FY2020. Lower margins were mainly attributed to the renewal of a 5-year outsourcing contract which entailed unavoidable transition costs typical for long term outsourcing deals. As a big part of the related cost are front loaded, revenue and margins are expected to increase as the usage goes up over the tenure. This had resulted in operating loss of RM0.05 Million as compared to operating profit of RM4.2 Million in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS
OPERATIONS REVIEW BY SEGMENT

INFORMATION COMMUNICATIONS TECHNOLOGY ("ICT") SEGMENT

Under the ICT segment, PRIVASIA provides wireless broadband infrastructure, comprehensive mobile and wireless communications consultancy as well as systems development for ICT and mobile solution providers.

With multiple contract wins in 2021, we are pleased our efforts in our ICT segment are bearing fruit. In particular, we secured a contract from a public-listed company, HSS Engineers Berhad (HEB) to provide consultancy services for the implementation of Malaysia's 5G infrastructure and network. For the year ahead, we hope to be able to showcase our expertise in developing mobile broadband network and connectivity in Malaysia as we look into opportunities in the telecommunications sector. We aim to secure more contracts within the 5G arena for 2022.

The revenue for the ICT division in 2021 declined to RM4.3 Million from RM6.5 Million in 2020. For the twelve months ended 31 December 2021, the Group has shown improvement with a lower operating loss of RM0.9 Million as compared to RM1.5 Million in 2020, which was largely due to the stringent cost-cutting measures.

SATELLITE-BASED SERVICES ("SAT") SEGMENT

The SAT segment provides a broad spectrum of satellite-based network solutions, such as managed network, high speed internet, value-added broadband applications and satellite IP Virtual Private Network for the general public as well as the commercial and retail sectors.

In 2021, the Group introduced new solutions to complement its SAT segment. Specifically, through its subsidiary Privasat Sdn. Bhd., the Group partnered Celcom Axiata Berhad to offer a Software-defined Wide Area Network (SD-WAN) via an intelligent cloud solution. SD-WAN is a virtual WAN architecture that allows enterprises to leverage on any combination of transport services – including Long Term Evolution (LTE) and broadband internet services – to securely connect users to applications. The value-added function provides reliability, flexibility and long-term cost-effectiveness to companies. This enables direct cloud access from remote locations and optimizes backhauling of traffic by routing all cloud and branch office traffic through the users' main data centre.

We will be pushing to sell the SD-WAN solution aggressively in 2022. The Group has most recently been in negotiations to offer this service to various government-linked companies.The SAT division revenue increased from RM2.4 Million to RM3.0 Million in 2021. Lower cost and sales of a portfolio of our customer contracts have attributed to an operating profit of RM1.1 Million, as opposed to an operating loss of RM2.8 Million in 2020.

GROUP FINANCIAL REVIEW

The Group posted a minor reduction of 2% in revenue to RM40.6 Million, as compared to RM41.6 Million in the previous year.

The Group recorded a loss before tax and loss after tax of RM2.7 Million and RM2.3 Million respectively as compared to RM5.0 Million and RM6.4 Million respectively in FY2020.

The Group's total assets decreased to RM82.9 Million as at 31 December 2021, compared to previous year's RM93.5 Million. The decrease was mainly due to disposal of property, plant and equipment in 2021.

As at the same date, the Group's deposits, cash and bank balances stood at RM10.3 Million, compared to RM16.2 Million in the previous year. Loans and borrowings decreased to RM12.5 Million, from RM16.7 Million as the Group's focus was to reduce the gearing.

MANAGEMENT DISCUSSION AND ANALYSIS
INDUSTRY OUTLOOK

INDUSTRY OUTLOOK

As we step foot into 2022, we do so with cautious optimism given the uncertain and highly challenging global and domestic outlooks. We remain hopeful that global economies are re-opening. On the other hand, we are cautious any sudden spike in Covid-19 cases may have an undesired snowball effect which will undoubtedly derail our growth plans for the year.

Overall, we are pleased to have contributed to the digitalisation of businesses, in particular the SMEs. The implementation of digitalisation initiatives such as Malaysia's Digital Free Trade Zone is expected to spur the micro-SME market over the next few years. The adoption of cloud solutions in internal processes is heartening and provides us reassurance that we are creating the right products for the public.

For 2022, we hope to kick into place our growth plans despite what appears to be a fairly challenging year ahead. Only time will tell. In the meantime, we will continue to focus on our existing customers as we look to unlock opportunities for businesses which adopt digitalisation.

IT SEGMENT

The impact of Covid-19 has led to an accelerated shift towards a digital economy. Companies were largely left with no choice but to embrace technology within the workplace. We expect it to continue as the post-pandemic recovery begins. International Data Corporation, the global provider of market intelligence and advisory services for, amongst others, the IT and telecommunications markets, projects that the global technology industry will exceed RM22 trillion in 2022. Overall, we are cautiously optimistic that the IT segment will fare well with the execution of the right strategies.

ICT SEGMENT

The ICT segment registered a 10.4% growth in 2020 which is in line with the government's main focus on empowering the digital economy. The purpose is to strengthen the country's economic growth under the 12th Malaysia Plan (12MP) 2021-2025 to restore growth beyond the Covid-19 pandemic. The rollout of 5G in 2022 is a welcome plan and something for the team to look forward to.

Granted that we are still in the midst of a pandemic recovery phase, the increasing digitalisation of businesses reassures us that the Group is in an industry that will continue to be in demand regardless of whether there is a halt in economic recovery.

SAT SEGMENT

The re-opening of various sectors such as oil and gas, agriculture and civil engineering should translate to a positive outlook for the SAT segment. We expect an increase in demand for earth observation services.

Correspondingly, the team is strategising the best way forward to expand our clientele base by several notches.

MANAGEMENT DISCUSSION AND ANALYSIS
GROWTH STRATEGY BY SEGMENT

GROWTH STRATEGY BY SEGMENT

At PRIVASIA, we are fuelled by the opportunities available in the tech industry, driven by the buoyant reception of digitalisation in the past year. With the MCO having forced many traditionally run companies' operations to come to a halt, businesses are now more open-minded to embrace digital platforms for their operations.

Leaving behind the whitewash year in 2021, we believe 2022 will be the year that we follow through with the strategies we had put in place. Our order book stands at a healthy RM56 Million which indicates to us that our products are well-received in the market.

IT SEGMENT

MAXIMISING VALUE IN THE IT SEGMENT

Given our spread of offerings and expertise, we are well positioned to benefit from the increasing adoption of digitisation and the Government's openness towards embracing IT-based solutions.

Our objective at the forefront has been to maximise value from subscriptions by offering flexible consumption services based on customers' actual usage levels and needs. We believe this is a significant reason for customers to subscribe to our PROCUREHERE platform. We aim to invest further into our R&D in 2022 to enhance user experience and create further value for our customers.

In 2022, we seek to streamline our businesses and intend to only maintain those which serve to benefit the Group. To illustrate, we divested our 60% equity in Strategos Advisory Sdn. Bhd. as it no longer fits into our future plans. Furthermore, we closed down self-serving subsidiary to lower our operational cost figures.

In light of the encouraging response to the roll-out of FinansHere in April 2021, we aim to focus our efforts on expanding our client base. There are many more industries and avenues to explore and capture. We believe there is a bright future ahead for supply chain financing. The PRIVASIA team will continue to and upgrade the product offerings to increase market awareness and satisfy customer needs with the aim of providing seamless customer experience.

As for i-Tap, we aim to increase our client base to serve more terminals.

MANAGEMENT DISCUSSION AND ANALYSIS
GROWTH STRATEGY BY SEGMENT

ICT SEGMENT

EXPANSION OF PRODUCT OFFERINGS IN THE ICT SEGMENT

In 2022, we aim to expand our service offerings in the ICT segment towards engineering services in particular the infrastructure and service delivery. We are focusing our efforts to include in-house cellular installations, last mile fibre and outside plant deployments alongside cellular installations.

We have identified key strategic partners and areas of interest which should benefit the Group. We will continue to seek synergistic partnerships with multinationals within the region to strengthen our product and service offerings, thus elevating our PRIVASIA brand and empowering the team.

The Malaysian government has revealed its intention to accelerate 5G rollout to cover at least 40% of the population by end-2022 and 80% by end-2024.

Ultimately, the Malaysian digital landscape is changing and we are in full support of the government's goal to digitally transform the economy.

We foresee 5G rollout as a platform for us to participate in more projects and are on the look for more opportunities to unleash untapped potentials. The contract award by HEB is just the beginning for us and we are hungry for more.

SAT SEGMENT

EXECUTION OF STRATEGIES IN THE SAT SEGMENT

We aim to put into place our plans to grow our SAT segment in 2022.

To recap, our goal in 2021 had been to switch our focus towards managed services as we look to offer more comprehensive value-added products to satisfy market needs.

We will continue to explore our opportunities in the satellite industry, particularly through our 25% equity interest in Mapri Sdn. Bhd. whereby Uzma Berhad is a 70% majority shareholder.

We believe there is huge earnings potential in this segment, thus the aim to expand our client base to broaden our earnings. Overall, we are comfortably confident of our prospects in the SAT segment for 2022.

SUSTAINABILITY STATEMENT

INTRODUCTION

Despite the challenging times brought upon by the Covid-19 pandemic, the Board remains as committed as before to build a sustainable business by adopting a pragmatic approach which is focused on balancing the varied needs of all key stakeholders. The Group acknowledges the importance of embedding sustainability into its operations in order to fulfil the expectations and requirements of all stakeholders as well as to provide a better understanding of the Group's business approach in managing environmental, economic, and social risks and opportunities.

SUSTAINABILITY STATEMENT

The Group believes that with the development of a good sustainable growth strategy, it will help the Group to better manage its commitment towards the Economic, Environmental and Social (EES) initiatives.

These strategies are further segmented to the following focus areas and we had define the following focus areas. Our Sustainability Statement highlights our performance based on the key EES initiatives undertaken by the Group for the financial year ended 31 December 2021.

STAKEHOLDER

INVESTOR | **PUBLIC**

REGULATOR | **EMPLOYEE** | **CUSTOMER**

SHAREHOLDER | **SUPPLIER**

SUSTAINABILITY STATEMENT

COMPANY

Our primary focus is mainly on value creation for all stakeholders.

Our vision is to elevate sustainability through governance, transparency via engagement with direct board oversight and accountability over social, environmental and economic issues.

SERVICES

We endeavour to provide the best quality service to all our clients as they are part of our esteemed valued stakeholders.

Our approach to sustainability adopts a long-term and holistic view of ensuring sustainable business practices in order to create long-term value for all our stakeholders, underpinned by our vision of simplifying business by innovating and nurturing talent.

Investing in talent is a priority for us with the belief that everyone deserves to be given the best value.

Sustainability is an integral part of our business and as we move forward, we shall emphasise and participate in sustainability efforts.

We are cognisant to the sustainability governance and the 3 elements of environmental, economic and social ("EES") for the benefit of our stakeholders.

This statement has been prepared in accordance with the Sustainability Reporting Guide (2nd Edition) and Toolkits, issued by Bursa Malaysia Securities Berhad.

A. SUSTAINABILITY GOVERNANCE

B. ENVIROMENTAL

C. ECONOMIC

D. SOCIAL / WORK PLACE

SUSTAINABILITY STATEMENT
A/ SUSTAINABILITY GOVERNANCE

The Sustainability Governance is the main driver in implementing the sustainability strategy and ensuring that the existing initiatives are in tandem with our objectives.

The status is monitored and the Board is kept updated on the progress.

Governance Structure	Responsibilities
CEO / MANAGING DIRECTOR	In charge of Sustainability Management deliverables. Executes and monitors sustainability strategies and updates the Board on the progress as well as any issues which arises.
BOARD OF DIRECTORS	Deliberates before approving key sustainability related strategy and objectives. The Board is kept updated on the progress.
CORPORATE AFFAIRS	Prime focus is exploring channels for community reach and stakeholder sessions.
OPERATING UNITS	Responsible for execution of all sustainable measures cascaded down from by the Board.
HUMAN CAPITAL	Administers all aspects of people management in strict detail.

SUSTAINABILITY STATEMENT
B/ ENVIRONMENTAL

The Group remains steadfast by the new norm and increasing importance in the shift towards digitalisation.

It is committed towards minimising the potential impact of its operations on the environment at all times by adopting and applying environmentally responsible practices to achieve long term sustainability growth.

The Group upholds environmental concerns with emphasis on the application of the latest technological advancements and industry best practices that are safe for the environment.

We are committed in taking proactive measures to preserve the environment for the generations to come whilst fulfilling the expectations of our stakeholders.

We have considered safety and environmental factors in all our operational decisions and explored possible opportunities to minimise any adverse impact from the erection and dismantling of telecommunications or information related system and equipment operations, waste disposal and energy consumption.

It has been a practice to not directly dispose of old IT equipment such as computer monitors, servers and peripherals. Instead, we will refurbish these equipment and re-sell them second hand to interested buyers or distribute them to schools (part of our CSR activities).

The Group has continued its "GO GREEN" campaign to promote and support the practices of using resources in an environmentally friendly manner. We initiated the following actions with the aim of preserving the environment:

- Encourage staff to print on recycled paper or on a double-sided format;
- Communication via emails, including pursing a "paperless" office solution (e.g. HR System – PeopleESS to reduce usage of paper);
- Close monitoring of water and electricity consumption (e.g. switching off lights and air-conditioning during non-peak hours); and
- Recycle bins have been placed on all floors of PRIVASIA's headquarters.

MONITORING SAFETY OF TELECOMMUNICATION FACILITIES AND COMMUNICATION TOWERS

Telecommunication facilities and communication towers (part of our product offerings) emit electronic magnetic frequency that are harmful to humans. Therefore, we ensure our communication facilities and equipment are erected at a safe distance from the local community. Equipment used for our installation is certified by SIRIM Malaysia for safe usage. Access to our facilities is also safeguarded with proper fencing and lock facilities to prevent unauthorised entries.

All IT equipment imported and distributed by the Group has obtain the type approval from SIRIM to meet the regulatory safety, emission, energy and quality standards. This is to ensure that our products are tested and certified following the Malaysian Communications and Multimedia Commission (MCMC) Technical Specifications/Technical Codes to assure safety to the general public of our communications equipment.

SUSTAINABILITY STATEMENT
C/ *ECONOMIC*

The Group ensures that business is conducted with strict adherence to the principles of transparency, and professionalism. It is committed to maintain a proper framework which affirms that the operations are managed in a proficient manner to better serve the interests and meet the expectations of its stakeholders.

We are focused on building sustainable relationships with stakeholders and utilising our resources optimally to contribute to economic growth. Value creation to all our stakeholders is our priority.

I/ SHAREHOLDERS

Our shareholders are the ultimate owners of the Company and as such, they are entitled to accurate, timely and quality information on the Group's financial performance and position.

Apart from the Annual General Meetings where shareholders are encouraged to question the Board and Executive Management on business operations, plus the financial performance and position of the Group, shareholders are able to access all general information and announcements of the Group through its corporate website at www.PRIVASIA.com or on the Bursa website.

II/ MARKETPLACE

PRIVASIA is a technology-based company operating in a very challenging and competitive business environment. Despite this pandemic, we foresee sustainable business growth in current and future fiscal years through our innovative and customers-centralized products and services.

We are the pioneer and developer of "PROCUREHERE", an electronic based procurement system which promotes transparency in carrying out procurement activities and significantly weeds out potential corruption activities with its audit trail functions. This is in line with the central government's campaign to combat and fight against corruption in the country.

Should our employees possess any knowledge or be suspicious of potential incidents of business misconduct including bribery or accepting kickbacks, they are encouraged to report such incidents through our established "Whistleblowing" policy.

We strongly believe a robust information communication technology infrastructure can boost the nation's economic growth. Therefore, our team of technicians has ventured far and beyond to elevate and build telecommunication systems and facilities in rural areas across Malaysia.

Ensuring customer satisfaction and loyalty continue to be a priority at PRIVASIA. We are committed to better understanding customer perspectives and refining our offerings, not only to meet but to far exceed expectations for reliability, efficiency and sustainability. For this purpose, we have established sufficient hotlines dedicated towards catering customer enquiries and helpdesk support.

The Group contributes to employment creation directly (e.g hiring of employees and purchase of goods and services). As most of our subsidiaries are located within the geographical region of Malaysia, we are able to prioritise local sourcing of goods and services to reduce the use of carbon miles from transporting goods. To add on, this helps stimulate the growth of our local economy.

Our selection of suppliers and contractors takes into consideration the skills that are required to meet our Group's objective and we conduct periodic performance assessments to ensure that their performances are up to standard. The outsourcing of successfully secured projects to local contractors has further contributed to the creation of job opportunities within the local community.

III/ SUPPLIER

We do maintain a healthy business relationship with our supplier in a lawful and ethical manner to ensure the delivery the goods and services are being delivered with the highest level of standard.

We are committed to conduct our business in a legal, ethical, and responsible manner whereby our registered suppliers are required to fill and sign the Service Provider Integrity Pledge and the Supplier Due Diligence Declaration Form effective March 2021.

All suppliers were vetted for their legitimacy by checking on their Company Registration Certificate (ROC/ROB) and CTOS verification.

IV/ CUSTOMER SATISFACTION

Customer satisfaction has always been our top priority and we are committed on delivering quality products and services to our customers. Two of our main subsidiaries has adopted the ISO/IEC 20000-1:2018 - IT Service Management standards and certification to ensure continuous improvements is being made to meet the agreed requirements and to deliver value to our customers.

Evaluation on customer satisfaction is also being conducted to ensure that customers feedback and complaints are managed and responded properly. Any non-conformities are being responded accordingly and corrective actions taken will be taken to prevent future recurrences. This will enable us to gauge and evaluate on our performance to meet our company's mission and vision.

SUSTAINABILITY STATEMENT
D/ SOCIAL - WORKPLACE

I/ EMPLOYEE'S WELFARE AND WELL-BEING

PRIVASIA recognises the value of its employees and most importantly investing in them. To promote closer working relationships and better understanding among its employees, various social activities were organised such as the Annual Quiz Competition and monthly birthday celebrations for employees. Various welfares and benefits were also provided for the advantage and comfort of our employees, such as at least 60 days of maternity leave (as per the requirements mandated in Employment Act 1955), paternity leave, medical/personal accident insurance, subsidy for expenses related to child arrival, yearly health screening, optical, dental and telecommunications (for subscribing to corporate preferred telco service provider).

Despite the pandemic, and amidst the uncertain business environment, the company remains committed towards prioritising its employees' well-being.

We strictly adhere to local labour regulations and have implemented national minimum wage law for all employees working in Malaysia. Remuneration packages offered to employees are strictly based on their position and allocation of job scope, irrespective of gender. Besides, the basic salaries that we offer to our employees are at least 60% higher than the minimum wage rate mandated by the Minimum Wage Order of Malaysia.

II/ PANDEMIC

During this pandemic, we maintained strict adherence to the Government's SOPs by:

a. Encouraging work from home routines for all employees while providing all options available in order to minimise their travels and at the same time maintaining a high priority on delivering expectations for our products.

b. Office area was constantly disinfected to maintain the most hygienic level at all times.

c. To remove all doubts and to ease minds, Covid-19 testing was given free to employees whenever necessary.

III/ HEALTH AND SAFETY

We place great importance on safety aspects as some of our contractors or even employees may be required to perform dangerous activities as part of their job scope (such as climbing up satellite or communication towers).

We ensure our contractors and employees are properly briefed and well-trained on safety precautions and procedures. Personal Protective Equipment are also provided when our contractors and employees are carrying out their duties.

IV/ SKILLS DEVELOPMENT

PRIVASIA has always recognised the important role of its employees. The management believes that efficient, effective, knowledgeable and satisfied employees are essential for the growth of the organisation. In line with this objective, we have allocated a yearly training budget.

Both in-house and external trainings are continuously provided to upgrade job knowledge and up-skill our employees.

In addition, our HR Department conducts induction training for all new employees. The training includes awareness and understanding of the importance of PRIVASIA's policies.

To further enhance our employees' development, the department heads conduct performance appraisal annually based on predetermined Key Performance Indicators ("KPIs"). On-the-job training is also provided for new employees to ensure they are well equipped with the necessary skills to undertake the tasks assigned.

Besides, we are a certified and authorised training employer for the prestigious Institute of Chartered Accountants in England and Wales ("ICAEW") professional body. This means that we can offer the relevant training programmes as required by the ICAEW for our employees who are interested in pursuing a career as a certified chartered accountant.

We encourage our employees to be professionally certified in their areas of expertise and we will reimburse the annual membership fees paid by our employees to their respective professional bodies.

No	Programmes	No. Of Attendees	Training Hrs per Person	Total Training Hrs	Training Objectives
1	How To Conduct A Lawful & Ethical Method On Termination Of Employee	1	16	16	Termination of Employment for special reasons & the rule of Proportionality
2	MIA Virtual Conference Series : Capital Market Conference 2021	1	8	8	To get up to speed with current developments in capital markets and how you and your organization can respond and capitalize on these trends
3	Transfer Pricing Of Intra-Group Services & Cost Contribution Arrangements	1	8	8	Understand transfer pricing for Intra-group Services (IGS) and Cost Contribution Arrangements (CCA), understanding the application of IGS and CCA
4	Share Buy Back And Dealings In Listed Securities, Closed Period & Insider Trading	1	8	8	Understanding share buy back from a regulatory perspective, as well as dealings in listed securities, exploring the rules & pricing requirements for resale/transfer of treasury shares
5	Case Study-Based MFRS Webinar : Case Studies In Practical Business Combinations Changes In Controlling Interest	1	8	8	Develop a single high-quality standard of accounting for business combinations that would ensure that the accounting for M&A activities is the same whether an entity is applying IFRSs or US generally accepted accounting principles (GAAP)
6	Finance For Non-Finance Professionals	1	16	16	Explaining the importance of finance & interpretation of financial information
7	Comptia Security +	1	32	32	Identifying the fundamental concepts of computer security, implementing access control and account management security measures
8	Certified Data Center Professional (CDCP)	1	16	16	To expose participants to the key components of a data centre. CDCP training will address how to set up and improve key aspects such as power, cooling, security, cabling, safety etc. to ensure a high-availability data centre
9	ITIL 4 Foundation	12	32	384	To understand the common language and key concepts and show them how they can improve their work and the work of their organization with ITIL 4 guidance
10	TOGAF Foundation & Certified Exam	1	8	8	Define business goals and align them with architecture objectives around enterprise software development
11	AWS Solution Architect Professional Examination	1	8	8	Validate cloud expertise to help professionals highlight skills and organizations
12	CCNA: Implementing and Administering Cisco Solutions v1.0	2	40	80	Configuring network components such as switches, routers, and wireless LAN controllers; managing network devices; and identifying basic security threats.

For FYE 2021, a total of 592 hours of professional training programmes were organised, as shown in the table above. Some of the classes were conducted online due to the pandemic.

SUSTAINABILITY STATEMENT
D/ SOCIAL - WORKPLACE

V/ ANTI-DISCRIMINATION POLICIES, PERFORMANCE REVIEW AND GENDER EQUALITY

The Group is committed in ensuring fairness in career opportunities. The Group adopts a non-discriminatory policy for hiring and promoting employees.

Our staff force comprises of 88 (61.98%) males and 54 (38.02%) females. From an ethnicity standpoint, Malays comprise of 87 of our staff (61.26%), Indians 35 (24.65%), Chinese 14 (9.86%) while others and expatriates 6 (4.23%) (as a whole).

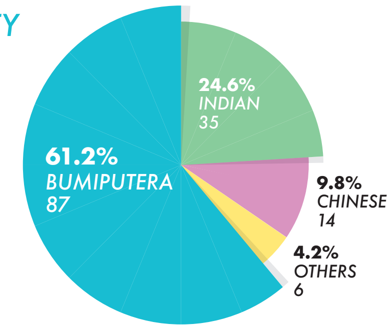
We consistently provide opportunities for our employees to develop themselves. This is largely due to the fact that 40.15% of our employees are between the ages of 20 to 30. With succession in mind, we constantly encourage knowledge transfer from the more senior employees, in particular those between the ages of 30 and 40 years, to the younger ones, so that they can eventually take the mantle of leadership within the Company at the appropriate time.

We promote gender equality as we possess a healthy gender balance, whereby our employees holding key management positions consist of both male and female personnel. 30% of the managers and senior managers are female, as compared to 25% in 2019.

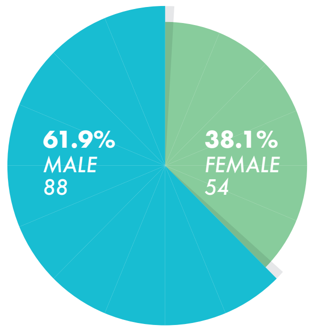
We encourage our employees to grow with the Group and as such, in order to understand each employee's capabilities and expectations of the Group, we conduct a quarterly performance review between superiors and employees. Other than quarterly performance appraisals, all employees receive evaluation for work performed to promote learning and embrace opportunities for career development through informal/verbal feedback from their immediate superiors.

The Group advocates an "open door" communication culture whereby employees are encouraged to provide their suggestions and feedbacks through direct communication with management personnel, or even to the HR Department where appropriate.

ETHNICITY



GENDER



SUSTAINABILITY STATEMENT
D/ SOCIAL - COMMUNITY

VI/ WHISTLEBLOWING POLICY

The Group remains committed towards conducting its affairs in an ethical, responsible and transparent manner. We encourage our stakeholders to disclose suspected wrongdoings which may involve or concern our Group's directors, management, employees, relationship with other stakeholders, assets and reputation.

The channel will be directed to an Independent Director who will report directly to members of the Group's Audit and Risk Management Committee.

Any report can be submitted confidentially via email to the following email: whistleblowing@PRIVASIA.com. For further information, please visit https://www.PRIVASIA.com/corporategovernance.html.

VII/ ANTI-BRIBERY ACT

The Group is committed towards conducting its business and servicing its clients and customers with the highest ethical standards and integrity. Accordingly, PRIVASIA does not condone nor tolerate any form of corruption or bribery which is in contravention of the Malaysian Anti-Corruption Commission Act 2009 or any similar or related laws and regulations internationally.

We are committed to ensure that our management and employees perform their duties with the highest level of professionalism, fairness and with integrity in all its dealings.

We expect all our business associates, contractors, sub-contractors, service providers, suppliers, vendors, consultants, agents and representatives to uphold the highest standard of integrity while performing work or services for or on behalf of the Group.

This policy was implemented on 1 July 2020.

VIII/ PERSONAL DATA PROTECTION

PRIVASIA is committed in protecting customer personal information and data against any theft, loss, misuse or unauthorised access, modification or disclosure.

We adhere to the Personal Data Protection Act 2010 very seriously and commit to protect all customer personal data in line with the law and regulation.

Our Personal Data Protection Policy outlines the guiding principles on our proper handling of customer information and data. Full transcript of our PDP Notice can be accessed via https://www.PRIVASIA.com/pdf/pdpa_notice_20_eng_version.pdf.

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board recognises Corporate Governance as being vital and important to the success of the Group's businesses. The Board continuously reviews its Corporate Governance framework to ensure its relevance, effectiveness and sustainability in conducting the business and in addressing the challenges of the business.

In this statement, the Board reports in the manner which emphasizes the principles and best practices of corporate governance as laid out in the new Malaysian Code on Corporate Governance 2021 (the "Code") which was released on 28 April 2021 and ensures that standards of corporate governance are being observed to realise the objective of increasing shareholders' value and the continued sustainability and long-term performance of the Group.

This statement also serves as a compliance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Securities.

The Code is based on three key principles of good corporate governance, which are:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

The Board is pleased to present the following statement which outlines the key aspects of how the Group has applied the Principles and Practices set out in the Code during the FYE 2021.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

PRACTICE 1.1:
COMPANY'S LEADERSHIP AND STRATEGIC AIMS

THE BOARD OF DIRECTORS AND BOARD STRUCTURES

The Group is governed by the Board who is accountable to stakeholders for the strategic direction and the pursuit of value creation for shareholders.

The Board is primarily responsible for ensuring that the principles of good corporate governance are practiced, and appropriate corporate governance structure is in place. An effective Board leads and controls the Company. The composition of the Board during FYE 2021 is as follows:

Name of Directors	Directorate
Dato' Azman Bin Mahmud	Chairman / Independent Non-Executive Director (Appointed on 10 May 2021 and re-designated as Chairman on 14 June 2021)
Puvanesan A/L Subenthiran	Chief Executive Officer / Managing Director
Andre Anthony A/L Hubert Rene	Deputy Chief Executive Officer / Executive Director
Haida Shenny Binti Hazri	Independent Non-Executive Director
Haslinda BT Hussein	Independent Non-Executive Director
Leong Kah Chern	Independent Non-Executive Director (Appointed on 10 May 2021)
Rachel Lau Jean Mei	Independent Non-Executive Director (Appointed on 10 May 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Chairman / Independent Non-Executive Director (Resigned on 17 May 2021)

Following the release of the Code, the Board have reviewed the Board Charter in March 2022 to ensure up-to-date alignment with the recommendation best practices under the code and reflect the updated terms of reference of commitees. The updated Board Charter outlined amongst others, the following duties and responsibilities: -

I. Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;

II. Review, challenge and decide on management's proposals for the Company, and monitor its implementation by management;

III. Reviewing and adopting the overall strategic plans and programmes for the Company and Group;

IV. Supervise and assess management performance and oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;

V. Understand the principal risks of the company's business and recognize that business decisions involve the taking of appropriate risks;

VI. Set the risk appetite within which the board expects management to operate, manage and monitor significant financial and non-financial risks;

VII. Endeavor that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;

VIII. Approve the nomination, selection, succession policies, and remuneration packages for the Executive Directors, Independent Directors, Non-Executive Directors and Board Committee members, and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;

IX. Identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;

X. Developing and implementing a shareholder communication policy for the Company;

XI. Reviewing the adequacy and the integrity of the management information and internal controls systems of the Company and Group;

XII. Review and approve the Financial Statements encompassing the Company annual audited accounts and reports, dividend policy, credit facilities from financial institution and guarantees;

XIII. Review and approve the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control for the Annual Report;

XIV. Review the Corporate Governance Statement/ Report in compliance with the MCCG for the Annual Report;

XV. Approve the appointment of external auditors and their remuneration;

XVI. Delegating certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities; and

XVII. Declaration of dividend.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

The Board reserves certain power for itself and delegates other matters to the CEO and senior management. The following are matters which are specifically reserved for the Board:

I. Approval of corporate plans and programmes;

II. Approval of annual budgets, including major capital commitments;

III. Approval of new ventures;

IV. Approval of material acquisition and disposals of undertakings and properties;

V. Change to the management and control structure within the Group, including key policies, delegated authority limits; and

VI. Review and update the Whistleblowing Policy.

The Board has delegated certain responsibilities to Board Committees with clearly defined terms of reference to assist in discharging its duties. The current Board Committees include the Audit and Risk Management Committee, the Nomination and Remuneration Committee and the Investment Committee.

The Chairman of the respective Board Committees will report and table to the Board their respective recommendations for consideration and adoption.

The composition of each Board Committee during the FYE 2021 is as follows:

AUDIT AND RISK MANAGEMENT COMMITTEE

Name of Directors	Designation	Directorate
Haida Shenny Binti Hazri	Chairman	Independent Non-Executive Director
Haslinda BT Hussein	Member	Independent Non-Executive Director
Leong Kah Chern	Member	Independent Non-Executive Director (Appointed as a Member on 2 August 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Member	Independent Non-Executive Director (Resigned on 17 May 2021)

NOMINATION AND REMUNERATION COMMITTEE

Name of Directors	Designation	Directorate
Leong Kah Chern	Chairman	Independent Non-Executive Director (Appointed as a Member and Chairman on 1 December 2021)
Haida Shenny Binti Hazri	Member	Independent Non-Executive Director (Re-designated as a Member on 1 December 2021)
Rachel Lau Jean Mei	Member	Independent Non-Executive Director (Appointed as a member on 17 May 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Member	Independent Non-Executive Director (Resigned on 17 May 2021)

INVESTMENT COMMITTEE

Name of Directors	Designation	Directorate
Haslinda BT Hussein	Chairman	Independent Non-Executive Director
Rachel Lau Jean Mei	Member	Independent Non-Executive Director (Appointed as a member on 6 September 2021)
Puvanesan A/L Subenthiran	Member	Chief Executive Officer / Managing Director
Andre Anthony A/L Hubert Rene (Alternate to Puvanesan A/L Subenthiran)	Alternate Member	Deputy Chief Executive Officer / Executive Director
Haida Shenny Binti Hazri	Member	Independent Non-Executive Director (Resigned as a Member on 6 September 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Member	Independent Non-Executive Director (Resigned on 17 May 2021)

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 1.2 & 1.4: ROLES OF THE CHAIRMAN

The Chairman of the Board is responsible for instilling good corporate governance practice, leadership and ensuring the effectiveness of all aspects of the Board's role and responsibilities. The Chairman of the Group does not hold any memberships in any of the board committees. By having non-involvement of Chairman in any Board Committee would provide check and balance as well as objective review by the board on deliberation made by the board committees.

On 14 June 2021, Dato' Azman Bin Mahmud who is an Independent Non-Executive Director has been re-designated as Chairman of the Board, in-place of Dato' Mohamed Sharil Bin Mohamed Tarmizi who stepped down as Chairman/Independent Non-Executive Director of the Group on 17 May 2021 due to the requirements set by the MCMC following his appointment to the Board of Digital Nasional Berhad.

The responsibilities of the Chairman amongst others include:

I. To provide leadership to the Board and oversee the Board in the effective discharge of its fiduciary duties;

II. Leading the Board in the adoption and implementation of good corporate governance practices in the Company;

III. To set the Board agenda and to ensure the Board members receive complete and accurate information in a timely manner;

IV. To lead in discussion in Meetings and ensure efficient and effective conduct of the Board's Meetings;

V. To encourage active participation and to allow dissenting views to be freely expressed;

VI. To promote constructive and respectful relations between Board Members and manage the interface between the Board and Management;

VII. To facilitate effective communication between the Board and the stakeholders; and

VIII. To commit time necessary to discharge effectively his role as Chairman.

The Chairman ensures orderly conduct and proceedings of the Board and general meeting and is responsible for managing the business of the Board to:

I. All directors are properly briefed on issues arising at board meetings;

II. Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable through preparation for the board discussion; and

III. The issues discussed are forward looking and concentrates on strategy.

During FYE 2021, the Board had met with the Executive Directors and management to discuss and receive update on the operational issues of the Group and the Board actively provides timely recommendation to improve and set strategies that will further enhance the business objectives of the Company.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 1.3: SEPARATION OF THE POSITIONS OF THE CHAIRMAN AND CEO

The positions of the Chairman and CEO are held by two separate distinct individuals. The current CEO who also acts as the Managing Director is Puvanesan A/L Subenthiran.

The separation of the Chairman and the CEO with clear and distinct division of responsibilities ensures a proper balance of power and authority, as well as to enhance governance and transparency. The Chairman leads the Board in setting values and standards of the Group and is responsible for the effective conduct of the Board, whilst the CEO has overall responsibility on the business and day-to-day management of the Group.

The CEO's roles amongst others includes the following:

I. Strategy development, monitoring and tracking;

II. Business development;

III. Regulation;

IV. Performance management;

V. Human resources management;

VI. Risk management; and

VII. Stakeholder management.

PRACTICE 1.5: COMPANY SECRETARIES

The role of the Company Secretaries is currently held by Ms. Wong Chow Lan and Ms. Foo Li Ling, who are both registered with the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretaries.

The Company Secretaries give clear and sound advice on the measures to be taken and requirements to be observed by the Company and the Directors arising from new statutes and guidelines issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Securities.

The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Bursa Securities ACE Market Listing Requirements.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and those accurate and proper records of the proceeding and resolutions passed are taken and maintained in the statutory register at the registered office of the Company.

The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action.

The Company Secretaries work closely with management to ensure that there are timely and appropriate information flows within and to the Board and Board Committee, and between the Non-Executive Directors and management.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 1.6: INFORMATION AND SUPPORT TO THE BOARD

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. As such, in discharging their duties, the Directors need to have full and timely access to all information concerning the Company and the Group.

All Board meetings held were preceded by a notice issued by the Company Secretaries. Prior to each Board meeting, the agenda would be circulated to all Directors at least seven (7) days prior to the meeting. A set of board paper containing relevant reports is furnished to all Directors at least five (5) days prior to the meeting, to enable effective discussions and decision-making during Board meetings. In addition, the Board is also notified of any corporate announcements released to Bursa Securities.

All minutes of meetings are confirmed by the Board and respective committee members to ensure the deliberations and decisions of the Board are accurately reflected, including whether any director abstained from voting or deliberating on a particular matter. The Chairman of the Board and the Chairman of the respective committees sign off the confirmed minutes for record keeping and safeguarding purposes.

The Directors have full access to the advice and services of the Company Secretaries, the senior management staff, the external auditors and other independent professionals at all times in discharging their duties and responsibilities.

PRACTICE 2.1: BOARD CHARTER

The Board has formalised a Board Charter to ensure that the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.

The Board Charter serves not only as a reminder of the Board's roles and responsibilities but also acts as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities.

On 30 March 2022, the Board had reviewed and approved amendments to the Board Charter to strengthen the Governance of the Group.

The Board Charter is available in the Company's website at www.PRIVASIA.com.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 3.1: (A) CODE OF CONDUCT AND ETHICS

The Board recognises its role in establishing ethical values that support a culture of integrity, fairness, forthrightness, trust and pursuit of excellence.

This is formalised via Code of Ethics and Conduct that is periodically reviewed and adhered by all Directors and employees of the Group.

The core areas of conducts under the Code of Ethics and Conduct include the followings: -

I. Conflict of interest;
II. Confidential information;
III. Inside information and securities trading;
IV. Protection of assets;
V. Business records and control;
VI. Compliance to the law;
VII. Personal gifting and contribution;
VIII. Health and safety;
IX. Sexual harassment;
X. Outside interest;
XI. Fair and courteous behaviour; and
XII. Misconducts

(B) ANTI-BRIBERY AND CORRUPTION POLICY

In line with the new Section 27A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption which came into force on 1 June 2020, the Board had on 29 May 2020, approved and adopted an Anti-Bribery and Corruption Policy ("ABC Policy") to prevent the occurrence of bribery and corrupt practices within the Group.

The ABC Policy can be accessed through the Company's website at www.PRIVASIA.com.

PRACTICE 3.2: WHISTLEBLOWING POLICY

To encourage the reporting of genuine concerns about malpractice, illegal acts or failures to comply with recognised standards of work without fear of reprisal or victimisation, the Board has in place a Whistleblowing Policy which sets out avenues where legitimate concerns can be objectively addressed.

During the FYE 2021, there was no whistleblowing concern reported to the Company.

The Whistleblowing Policy is available in the Company's website at www.PRIVASIA.com.

PRACTICE 4.1: MANAGEMENT RESPONSIBILITY FOR THE GOVERNANCE OF SUSTAINABILITY

The Company's CEO is in charge of sustainability management. Regular meetings are convened together with Senior Management on a weekly and monthly basis to ensure that the execution of strategies and plans are on track. All progress and key developments are escalated to the Board during these meetings.

The Board reviews the progress, key developments and closely monitors the implementation of sustainability related policies and actions in order the Company to achieve its sustainability related goals . The Company is well guided by the Board, where sustainability-related matters are presented for deliberation and strategic direction for the Company is set. Matters discussed during this session range from amongst others, potential investments to new business pillars, succession planning and leveraging on new technologies.

Further details are disclosed in the Sustainability Statement of the Annual Report for reference to all stakeholders.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 4.2: COMPANY'S SUSTAINABILITY STRATEGIES, PRIORITIES AND TARGETS

The Company does not disclose details of its sustainability plans apart from the Sustainability Statement which is in the Annual Report. The statement covers an overview and the core of its sustainability efforts which built on the 4 areas of:

I. Sustainability Governance;

II. Environment;

III. Economic; and

IV. Social/Work Place.

The Board endeavours in the coming years to undertake steps to further develop the Company's sustainability reporting, enhance its reporting credibility and will plan towards engaging external assurance.

PRACTICE 4.3: UNDERSTAND THE SUSTAINABILITY ISSUES RELEVANT TO THE COMPANY AND ITS BUSINESS, INCLUDING CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board is confident that the CEO has a strong understanding on the area of sustainability and is able to engage and lead senior management in addressing sustainability-related matters and risk. It is crucial he is able to address sustainability risks and provide guidance on sustainability-related matters.

The senior management is kept abreast with sustainability developments in this constantly evolving environment by attending trainings including webinars and presentation, which includes but is not to be limited to, internal and external training and development programmes.

As for climate-related risks and opportunities, although in actual fact it is not directly connected to the Company's business nature, the CEO nevertheless makes an effort to keep himself up-to date with new developments.

PRACTICE 4.4: PERFORMANCE EVALUATIONS OF THE BOARD AND SENIOR MANAGEMENT

As part of the Company's Evaluation exercise for 2021, the Nomination and Remuneration Committee does evaluation on all Director on a yearly basis. During this exercise all Directors are evaluated.

As for the senior management, an appraisal session was conducted by the CEO during which the respective Head of Departments were formally assessed on their performance with regards to material sustainability risks, business development and opportunities.

Within the scope of remuneration, the management encourages a culture of organisational, team and individual performance consistent with its strategic goals.

The sustainability-linked Key Performance Indicators contain a balance of short-term and long-term goals.

PRACTICE 4.5: THE BOARD IDENTIFIES A DESIGNATED PERSON

The Chief Executive Officer has been given the responsibility to be in charge and drive the sustainability agenda across the Group of companies.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 5.1: RE-ELECTION OF DIRECTORS

The procedure on the re-election of directors by rotation is set out in the Company's Constitution.

All directors are required to undertaken an annual assessment where not only the recommendation of director due for re-election is contingent upon satisfactory evaluation, but it is also utilised in determining the effectiveness of the Board and Board committees.

All Directors are required to submit themselves for re-election by rotation at least once in every three (3) years at each Annual General meeting (AGM). Newly appointed Directors shall hold office until the AGM following their appointment and shall then be eligible for re-election by shareholders.

The Company's Constitution also requires that at least one-third (1/3) of the Directors including Executive Directors, to retire from office by rotation and be eligible for re-election at every AGM. All Directors shall submit themselves for re-election at least once every three (3) years from their date of appointment in compliance with the Listing Requirements of the Bursa Securities.

The Board are encouraged to provide new ideas for the better future of the business of the Group. The composition of the Board committees are periodically reviewed and refreshed as and when necessary, in order to bring in new ideas and perspective to the boardroom to ensure that the board is "future-ready".

PRACTICE 5.2: BOARD COMPOSITION

During the FYE 2021, the Board had extended its size and composition with the appointment of additional three (3) Independent Non-Executive Directors on 10 May 2021.

On 17 May 2021, Dato' Mohamed Sharil Bin Mohamed Tarmizi has resigned from the Company due to the requirements set by MCMC following his appointment to the Board of Digital Nasional Berhad.

As a result, the Board composition now comprise of seven (7) members comprising two (2) Executive Directors and five (5) Independent Non-Executive Directors. On 14 June 2021, Dato' Azman Bin Mahmud, the Independent Non-Executive Director has been re-designated as a Chairman of the Group and led the Board.

The current size, composition and effective mix of Executive Directors and Independent Non-Executive Directors in the Board supports adequate objective and independent deliberation, review and decision making.

In addition, the current Board composition of which majority are Independent Non-Executive Directors allows for more effective oversight of management and ensures that no individual or group of individuals dominates the Board's decision-making process.

The number of Independent Directors is in compliance with the Ace Market Listing Requirements of Bursa Securities which requires the Board to have at least two (2) Independent Directors or 1/3 of the Board of Directors, whichever is higher.

The profile of each Board member is presented under the Directors' Profile of this Annual Report.

PRACTICE 5.3 & 5.4: TENURE OF INDEPENDENT DIRECTORS

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years.

Upon completion of the nine years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director.

During the FYE 2021, the Board through the Nomination and Remuneration Committee assessed the independence of the independent directors based on the criteria set out in the Listing Requirement on an annual basis. The Board is satisfied with the level of independency demonstrated by the five Independent Non-Executive directors and their ability to act in the best interest of the Company.

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 5.5: APPOINTMENT OF BOARD AND SENIOR MANAGEMENT

In maintaining a competitive advantage, the Board recognises the importance of having a range of different skills, background and experience among its Directors and Senior Management.

The Directors are from diverse professional and business backgrounds with a wide range of academic and professional qualifications, business and financial experience relevant to lead the Group's business activities and as such, are able to effectively discharge their duties and responsibilities on the matters or issues of strategic planning, performance evaluation, resource allocation, setting of standards of conduct, identifying principal risks, reviewing internal control systems etc.

Appointment of new Board members, resignation of existing members, as well as the re-election of the Directors are approved by the Board upon the recommendation of the Nomination and Remuneration Committee. Appointment of Board members are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

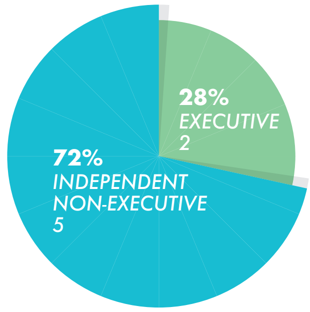
PRACTICE 5.9 & 5.10: GENDER DIVERSITY

The Group is an equal opportunity employer and provides equal opportunities for all employees with no discrimination of age, race, religion, disabilities or gender.

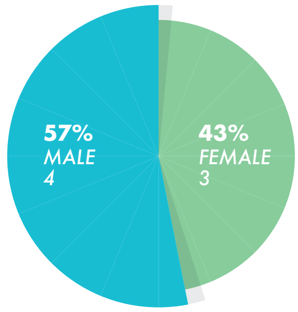
The Board acknowledges that gender diversity will encourage more constructive debates, leading to better decisions made. Several key positions in the Group are held by women and the Board currently comprises of three (3) female directors.

Diversity composition of the Board Members during FYE 2021 are as follows:

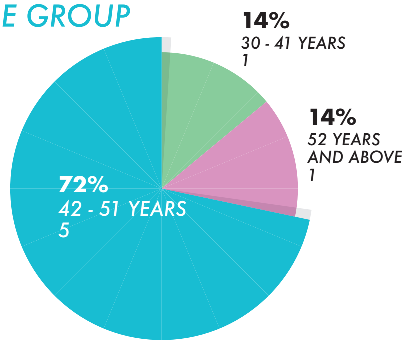
DIRECTORSHIP



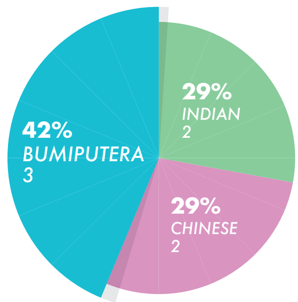
GENDER



AGE GROUP



ETHNICITY



CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 5.6 & 5.7: IDENTIFICATION OF CANDIDATES FOR APPOINTMENT OF DIRECTORS

The Board uses a variety of approaches and sources to ensure that it is able to identify the most suitable candidates.

In identifying suitable candidates, the Nomination and Remuneration Committee may use open advertising or the services of external advisers to facilitate the search.

The Nomination and Remuneration Committee would take into consideration the following criteria before the recommendation to the board is made:-

I. Required skills, knowledge, expertise and experience;

II. Time commitment, character, professionalism and integrity;

III. Ability to work cohesively with other members of the Board;

IV. Specialist knowledge or technical skills in line with the Group's strategy;

V. Diversity in age, gender and experience/background; and

VI. The number of directorships in companies outside the Group.

For the best interest of the shareholders, information of the newly appointed directors will be disclosed in the Annual Report. During FYE 2021, there are 3 newly appointed Directors in which their information has been disclosed in last Annual Report.

PRACTICE 5.8 & 7.2: NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") comprises exclusively of Independent Non-Executive Directors.

The Terms of Reference ("TOR") of the NRC is available in the Company's website at www.PRIVASIA.com.

The summary of activities undertaken by the NRC during FYE 2021 includes the following:-

I. Reviewed the size and composition of the Board and made recommendation to the Board as regards any changes that may, in their view, be beneficial to the Company and Group;

II. Reviewed and assessed the independence of Independent Non-Executive Directors;

III. Reviewed the effectiveness of the Board as a whole, committees of the Board and the contribution of individual directors;

IV. Reviewed and recommended to the Board on directors who are retiring by rotation to be put forward for re-election;

V. Reviewed and recommend to the Board the appointment of new Directors;

VI. Reviewed and recommend the payment of Directors' fees and other benefits payable to Directors;

VII. Ensuring the organisational chart and succession to be put in place; and

VIII. Reviewed and considered changes to the TOR of NRC to be in line with the current changes in the Code before recommending to the Board for approval.

PRACTICE 6.1: BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTOR'S EVALUATION

Formal objective assessment to determine the effectiveness of the Board, Board Committees and Individual Directors are carried out annually.

The Nomination and Remuneration Committee upon conducting its annual assessment on the Board, Board Committees and individual Director for the FYE2021, was satisfied that:

I. The size and composition of the Board and Board Committees are optimum with the appropriate mix of knowledge, skills, attributes and core competencies;

II. The Board and Board Committees has been able to discharge its duties professionally and effectively in consideration of the scale and breadth of the operations;

III. All the Directors continue to uphold the highest governance standards in their conduct and that of the Board;

IV. All the Members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, and depth of knowledge, skills and experience and their personal qualities;

V. The Independent Directors comply with the definition of Independent Directors as stated in the ACE Market Listing Requirements of Bursa Securities, where none of the tenure of an Independent Director exceeds a cumulative of nine years, and therefore would be able to function as a check and balance and bring an element of objective to the Board; and

VI. The Directors comply with the requirement prescribed under Rule 15.06 of ACE Market Listing Requirement as they hold either one or only a few directorships in public listed companies as described below:

   a. Holding only one directorship:
      4 Directors

   b. Holding two directorships:
      2 Directors

   c. Holding three directorships:
      1 Director

   d. Holding five directorships:
      None

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 7.1: REMUNERATION POLICIES

The Group aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Group successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

The Nomination and Remuneration Committee is responsible to review and recommend a formal and transparent remuneration framework or policy and procedure for Executive Directors and Senior Management.

In doing so, the NRC perform the following:-

a. Ensure that remuneration policies and packages of Executive Directors and Senior Management are reflective of the Group's demands, complexities and performance as a whole as well as skills and experience required, and in line with the strategic objectives of the Company which rewards contribution to the long term success of the Company; and

b. Ensure alignment of the compensation scale to corporate performance and that compensation offered is in line with current market practices by comparable companies, time commitment, responsibilities and employment conditions elsewhere within the Group and the market.

The remuneration policies are disclosed in the Board Charter which is available in the Company's website at www.PRIVASIA.com.

PRACTICE 8.1: DIRECTORS REMUNERATION - COMPANY

The aggregate remuneration of Directors' of the Group and of the Company for the FYE 2021 are as follows:-

EXECUTIVE DIRECTORS	SALARIES & OTHER EMOLUMENTS	FEES	ALLOWANCE	BONUS	DEFINED CONTRIBUTION	SOCSO EIS	BENEFITS IN KIND	TOTAL
Puvanesan A/L Subenthiran	RM0.00	RM48,000.00	RM7,000.00	RM0.00	RM0.00	RM0.00	RM0.00	RM55,000.00
Andre Anthony A/L Hubert Rene	RM0.00	RM48,000.00	RM7,000.00	RM0.00	RM0.00	RM0.00	RM0.00	RM55,000.00

NON-EXECUTIVE DIRECTORS	SALARIES & OTHER EMOLUMENTS	FEES	ALLOWANCE	BONUS	DEFINED CONTRIBUTION	SOCSO EIS	BENEFITS IN KIND	TOTAL
Dato' Mohamed Sharil Bin Mohamed Tarmizi	RM0.00	RM22,741.94	RM1,000.00	RM0.00	RM0.00	RM0.00	RM0.00	RM23,741.94
Haida Shenny Binti Hazri	RM0.00	RM62,000.00	RM6,500.00	RM0.00	RM0.00	RM0.00	RM0.00	RM68,500.00
Haslinda BT Hussein	RM0.00	RM54,000.00	RM6,500.00	RM0.00	RM0.00	RM0.00	RM0.00	RM60,500.00
Leong Kah Chern	RM0.00	RM30,838.71	RM5,500.00	RM0.00	RM0.00	RM0.00	RM0.00	RM36,338.71
Dato' Azman Bin Mahmud	RM0.00	RM37,338.71	RM4,500.00	RM0.00	RM0.00	RM0.00	RM0.00	RM41,838.71
Rachel Lau Jean Mei	RM0.00	RM30,838.71	RM5,000.00	RM0.00	RM0.00	RM0.00	RM0.00	RM35,838.71

CORPORATE GOVERNANCE STATEMENT
BOARD LEADERSHIP & EFFECTIVENESS

PRACTICE 8.1: DIRECTORS REMUNERATION - SUBSIDIARY

EXECUTIVE DIRECTORS	SALARIES & OTHER EMOLUMENTS	FEES	ALLOWANCE	BONUS	DEFINED CONTRIBUTION	SOCSO EIS	BENEFITS IN KIND	TOTAL
Puvanesan A/L Subenthiran	RM542,400.00	RM0.00	RM30,000.00	RM0.00	RM70,512.00	RM923.40	RM0.00	RM643,835.40
Andre Anthony A/L Hubert Rene	RM516,000.00	RM0.00	RM30,000.00	RM0.00	RM67,080.00	RM923.40	RM0.00	RM614,003.40

PRACTICE 8.2 & 8.3: SENIOR MANAGEMENT REMUNERATION

Range of Remunerations during the Year	Number of Senior Management
RM50,001 – RM100,000	1
RM100,001 - RM150,000	-
RM150,001 - RM200,000	-
RM200,001 - RM250,000	2
RM250,001 - RM300,000	1
RM300,001 - RM350,000	1

The range of remuneration of the top five (5) senior management's remuneration which includes salary and other emoluments are as per table on the left.

The Board is of the opinion that disclosure on a named basis is not required due to security and privacy reasons and the disclosures presented above is sufficient to allow shareholders to make an informed decision.

CORPORATE GOVERNANCE STATEMENT
EFFECTIVE AUDIT & RISK MANAGEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PRACTICE 9.1: CHAIRMAN OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Chairman of Audit and Risk Management Committee is chaired by an Independent Director who is not the Chairman of the Board

During the FYE 2021, Ms Haida Shenny Binti Hazri was the Chairman of Audit and Risk Management Committee.

PRACTICE 9.2: FORMER KEY AUDIT PARTNER COOLING-OFF PERIOD

Currently there are no members of the Audit and Risk Management Committee who are former key audit partners of the Company.

At this juncture, the Board has the view that the appointment of former key audit partner may exert significant influence over the audit. Should a former key audit partner be considered as a candidate for the Audit and Risk Management Committee, a cooling off period will be required before appointment.

PRACTICE 9.3: EXTERNAL AUDITOR

Through the Audit and Risk Management Committee, the Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the Malaysian Financial Reporting Standards and Companies Act, 2016 in Malaysia.

The interactions between the parties include the discussion of an audit plan, audit findings and corrective actions, where appropriate and the conclusion of the financial statements. The Audit and Risk Management Committee meet at least once with the external auditors without the presence of the Executive Directors and management.

The Audit and Risk Management Committee has assessed and is satisfied with the competency and independence of the external auditors. This assessment amongst others include:

I. Ensuring auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners;

II. The resource capacity and competency of audit members assigned by the External Auditors;

III. The level of fees including non-audit services fees paid by the Company to the External Auditors;

IV. The timeliness and completion of the audit; and

V. Obtaining written assurance from the External Auditors confirming independence throughout the conduct of the audit in accordance with the terms of all relevant professional and regulatory requirements.

The Audit and Risk Management Committee had recommended the re-appointment of the external auditors to the Board and thereafter to be tabled for the shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE STATEMENT
EFFECTIVE AUDIT & RISK MANAGEMENT

PRACTICE 9.4, 9.5 AND 10.3: AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprised solely of Independent Non-Executive Directors. The composition of the Audit and Risk Management Committee are:-

Name	Designation	Directorate
Haida Shenny Binti Hazri	Chairman	Independent Non-Executive Director
Haslinda BT Hussein	Member	Independent Non-Executive Director
Leong Kah Chern	Member	Independent Non-Executive Director (Appointed as a member on 2 August 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Member	Independent Non-Executive Director (Resigned on 17 May 2021)

The Audit and Risk Management Committee currently comprises of members with professional experience in financial, taxation and legal of which one of the member is a member of the Malaysian Institute of Accounts.

Having an Audit and Risk Management Committee that is financially literate and independent enable a continuous application of a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenge management's assertions on the Company's financials.

The summary of the activities of the Audit and Risk Management Committee during FYE 2021 are set out under the Audit Committee Report in this Annual Report.

PRACTICE 10.1 & 10.2: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board affirms its responsibility in identifying principal risks and ensuring implementation of a proper risk management system to manage such risks.

The Board and the Audit and Risk Management Committee has put in place an Enterprise Risk Management ("ERM") Framework and internal control systems to effectively discharge its responsibility in managing risks and counter threats arising from these risks.

The ERM Manual is implemented with an aim to provide practical guidance for developing, implementing and enhancing the ERM framework. The ERM Manual is structured into sections to:

I. Provide a reference for the Board and Management on the concept, definition and processes of risk management of the Group;

II. Provide a guide for developing and implementing the ERM Framework to support the implementation of risk management requirements and enhance the practice of ERM throughout the Group; and

III. Provide details (including examples) of risk management processes, tools, templates and procedures that are customised for the development and implementation of the ERM Framework.

For the financial year, internal audits were carried out in accordance with the approved Internal Audit Plan which had taken into consideration the Company's Enterprise Wide Risk Profile.

The results of these internal audits were tabled and reported to the Audit and Risk Management Committee including the gaps, recommendations and advice by the internal auditors. Management's response and targeted implementation timeline with respect to the areas for improvement were also taken into consideration for further improvements.

CORPORATE GOVERNANCE STATEMENT
EFFECTIVE AUDIT & RISK MANAGEMENT

PRACTICE 11.1. & 11.2: INTERNAL AUDIT

The mission of the Internal Audit Function is to provide independent and objective assurance and consulting function that adds value and improves the operations of the Group. It will assist the Group to achieve its objectives through systematically evaluating and improving the risk management, internal controls and corporate governance within the Group.

In discharging the Audit and Risk Management Committee's responsibilities of ensuring that the Internal Audit Function is effective and function independently, the Group's Internal Audit Function is outsourced to Wensen Consulting Asia (M) Sdn. Bhd. (the "Internal Auditors"), a professional consulting firm.

During FYE 2021, the Group had changed its Internal Auditors to Crowe Governance Sdn. Bhd.. Wensen Consulting Asia (M) Sdn. Bhd. has been with the Group for more than 5 years and the Group wanted to better enhance the internal audit function.

With the newly appointed Internal Auditors, the Group believe that Crowe would bring forth new ideas and processes that would support the Group for better internal audit function.

An Internal Audit Charter that has been reviewed and approved by the Audit and Risk Management Committee is in place to define the purpose of the Internal Audit function, as well as the scope, authority and responsibilities. In the performance of responsibilities, the Internal Auditors adheres to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.

To uphold independence, the Internal Auditors independently reports directly to the Audit and Risk Management Committee and are not authorised to:

I. Perform any operational duties for the Group;

II. Initiate or approve accounting transactions; and

III. Direct the activities of the Group's employees, except to the extent that the employee has been appropriately assigned to assist the Internal Auditors.

Further details on the Internal Audit Function are reported in the Statement on Risk Management and Internal Control on page 68 to 73.

CORPORATE GOVERNANCE STATEMENT
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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

PRACTICE 12.1: STAKEHOLDERS COMMUNICATION

The Company strictly adheres to the disclosure requirements of Bursa Securities and recognises the importance of timely and equal dissemination of information to shareholders and stakeholders to fulfil transparency and accountability objectives.

A Corporate Disclosure Policy was established to ensure that communications to the public regarding the Group are timely, factual, accurate and complete. Another key channel of communication with the shareholders, investors and the investment community at large is the Group's investor relations function.

The institutional shareholders, fund managers, research analysts and substantial shareholders have a direct channel and are able to enter into a dialogue with the Company's representatives.

The Company also maintains a website (www.PRIVASIA.com) through which shareholders and members of the public in general can gain access to information about the Group.

PRACTICE 12.2: INTEGRATED REPORTING

Integrated reporting enables concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

The Board acknowledges that having such reports benefits all stakeholders interested in an organisation's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

The Company is not a Large Company under the Code and is not required to adopt integrated reporting.

The Board will look into implementing integrated reporting in future.

PRACTICE 13.1: NOTICE OF ANNUAL GENERAL MEETING

The AGM remains the principal forum for communication and dialogue with the shareholders of the Company. Shareholders are notified of the AGM and provided with a copy of the Company's Annual Report at least twenty-eight (28) days before the date of the AGM.

The Company ensures that sufficient notice period is given to the shareholders in order for them to schedule their time to attend the Company's AGM.

The notice of AGM contains information such as the date, time, venue of the AGM, the shareholders' right to appoint a proxy and details of the resolutions that will be tabled at the AGM.

To foster better transparency, the poll is performed independently, with an Independent Scrutineer appointed to verify the polling procedures and observe that polling process is properly carried out.

The Independent Scrutineer, will confirm the results of the polls before submission to the Chairman for announcement of the results.

CORPORATE GOVERNANCE STATEMENT
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PRACTICE 13.2: DIRECTORS' ATTENDANCE OF ANNUAL GENERAL MEETING

The entire Board is committed to attend the AGM. During the AGM, the Board members are prepared to respond to all queries and had undertaken to provide sufficient clarification on issues and concerns raised by the shareholders.

The external auditors are also present to provide their professional and independent clarification on queries raised by shareholders. Status of all resolutions proposed at the AGM is announced to Bursa Malaysia at the end of the meeting day.

All Directors were present at the fully virtual 13th AGM held on 30 June 2021.

PRACTICE 13.3, 13.4, 13.5 & 13.6: LEVERAGE OF TECHNOLOGY

Amid the evolving Covid-19 outbreak in Malaysia and out of the Company's concern to the well-being and safety of its members, the Company have provided their members with the Remote Participation and Electronic Voting ("RPEV") facilities to enable them to participate and vote remotely at the 13th AGM.

This is in line with Clause 104 of the Company's Constitution and is also a proactive measure by the Company to facilitate greater participation by members in its AGM without requiring physical presence of members or their proxies.

In addition, the Company values its shareholders and ensured that the meeting provide sufficient information on the development of the Company. The presentation by the CEO, provides the shareholders with an update on the company's development, future plan and strategies moving forward. The minutes containing the discussion during the AGM is also published to the Company's website which is assessable to all its shareholders.

By leveraging on the RPEV facilities, members may participate in the AGM by viewing a live webcast of the AGM, asking questions online, and submitting votes in real time, without physically attending the AGM.

ADDITIONAL INFORMATION : MEETING ATTENDANCE

The Board meets on a quarterly basis, with additional meetings convened as and when required. There were seven (7) meetings held during FYE2021 and the attendances are as follows:

Name of Directors	Attendance
Dato' Azman Bin Mahmud (Chairman) (Appointed on 10 May 2021 and re-designated as Chairman on 14 June 2021)	5/5
Puvanesan A/L Subenthiran	7/7
Andre Anthony A/L Hubert Rene	7/7
Haida Shenny Binti Hazri	7/7
Haslinda BT Hussein	7/7
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned as a Member on 17 May 2021)	3/3
Leong Kah Chern (Appointed as a Member on 10 May 2021)	5/5
Rachel Lau Jean Mei (Appointed as a Member on 10 May 2021)	5/5

CORPORATE GOVERNANCE STATEMENT
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

AUDIT & RISK MANAGEMENT COMMITTEE MEETING

Name of Directors	Attendance
Haida Shenny Binti Hazri (Chairman)	6/6
Haslinda BT Hussein	6/6
Leong Kah Chern (Appointed as a Member on 10 May 2021)	2/2
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned as a Member on 17 May 2021)	2/3

NOMINATION AND REMUNERATION COMMITTEE MEETING

Name of Directors	Attendance
Leong Kah Chern (Appointed as a Member and Chairman on 1 December 2021)	N/A
Haida Shenny Binti Hazri (Re-designated as a Member on 1 December 2021)	2/2
Rachel Lau Jean Mei (Appointed as a Member on 17 May 2021)	1/1
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned as a Member on 17 May 2021)	1/1

INVESTMENT COMMITTEE MEETING

Name of Directors	Attendance
Haslinda BT Hussein (Chairman)	1/1
Puvanesan A/L Subenthiran	1/1
Mr Andre Anthony A/L Hubert Rene -Alternate to Puvanesan A/L Subenthiran	1/1
Haida Shenny Binti Hazri (Resigned as Member on 6 September 2021)	1/1
Rachel Lau Jean Mei (Appointed as a Member on 6 September 2021)	1/1
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned as a Member on 17 May 2021)	0/0

CORPORATE GOVERNANCE STATEMENT
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

DIRECTOR'S TRAINING

Directors' training is an on-going process as Directors recognise the need to continually refresh and develop their knowledge and skills, and to update themselves with developments in the industry and the business landscape in order for the Group to remain competitive.

All Directors have attended the Mandatory Accreditation Programme for Directors of PLCs.

During FYE2021, the Directors of the Company attended various forums, programmes, workshops and seminars as shown in the table on the right: -

LIST OF TRAINING ATTENDED BY DIRECTORS AS AT 31 DECEMBER 2021

Name of Directors	Date	Details of Programme/Seminar
Puvanesan A/L Subenthiran	17/06/2021	Virtual Capital Market Conference 2021 – Evolution of Capital Market
	19/07/2021	Sensetime International AI Innovation - World class AI & Computer Vision Technologies
	12/08/2021	ICAEW : Industry Inside & Thought leadership
	18/09/2021	Chicago global's spotlight on China
	11 – 12/11/2021	APEC CEO Summit 2021 embraces and connect the Asia-Pacific region virtually
	08/12/2021	SME CEO Forum 2021 - Time for SMEs to bounce back
Andre Anthony A/L Hubert Rene	19-20/05/2021	CargoNOW Exhibition & LogiSYM Asia Pacific Conference 2021
	27/07/2021	Logistics 4.0: Revolutionising the Trade and Logistics Industry through Digitalisation
	28/07/2021	Alibaba Cloud Day Malaysia 2021
Dato' Azman Bin Mahmud (Appointed on 10 May 2021)	16/06/2021	Corporate Liability pursuant to Section 17A of MACC Act, 2019
	28-30/06/2021	Mandatory Accreditation Program
	21/07/2021	The New Reality of Cyber Hygiene
	4-5/10/2021	Governance in Groups
	10/11/2021	ISO 37001:2016 Anti-Bribery Management Systems
Haslinda BT Hussein	24/05/2021	Board Committees Overview
	08-10/06/2021	MIA International Accountants Conference
	28/06/2021	UBS Mid Year Outlook 2021
	28/10/2021	Data Adoption and AI to Drive Better Business Decisions
	11/11/2021	2022 Budget Webinar
	29/11/2021	AOB Conversation with Audit Committees
	08/12/2021	A Dialogue on Budget 2022 | Proposed tax on Foreign Source Income
Leong Kah Chern (Appointed on 10 May 2021)	06-08/09/2021	Mandatory Accreditation Program
	06/12/2021	AOB Conversation with Audit Committees
	10/12/2021	Fraud Risk Management Workshop 2021

Name of Directors	Date	Details of Programme/Seminar
Haida Shenny Binti Hazri	14/01/2021	leadWomen WEP Malaysia Activator Campaign Launch
	02/02/2021	Malaysian Bidding Round 2021 - Petronas Webinar 1
	26/02/2021	Malaysian Bidding Round 2021 - Petronas Launch Asia Pacific
	10/03/2021	ADIPEC Technology As A Key Enabler For Energy Transition
	23/03/2021	Oil Markets and the Middle East
	24/03/2021	Leadership Lessons: Realising the Value of CG in ASEAN in conversation with Emeritus Dr Jesus Estanislao
	05-08/04/2021	Reset 2021 Petronas
	22/04/2021	Malaysian Bidding Round 2021 - Petronas Webinar 3
	17/06/2021	MIA Virtual Conference Series: Capital Market Conference 2021
	17/06/2021	Moving South-East Asia to Clean Energy
	14/07/2021	PNB Knowledge Forum 2021
	20/09/2021	GCC Board Directors Institute (BDI) Members Online Networking Event - Cryptocurrency, What Directors Need to Know
	21-23/09/2021	GasTech 2021 Dubai
	21-23/09/2021	SPE Annual Technical Exhibition (ATCE) Dubai 2021
	11/11/2021	PNB Knowledge Forum
	15-18/11/2021	ADIPEC 2021
Rachel Lau Jean Mei (Appointed on 10 May 2021)	06-08/09/2021	Mandatory Accreditation Program
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned on 17/05/2021)	NIL	NIL

CORPORATE GOVERNANCE STATEMENT
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Board is aware of its responsibilities to the shareholders and the requirements to present a balanced and meaningful assessment of the Group's financial position, by means of the annual financial and quarterly report's statements and other published information.

The Directors are required to ensure that the financial statements of the Group and the Company are drawn up in accordance with the 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 state of affairs of the Group and the Company for FYE2021.

With assistance from the Audit and Risk Management Committee, the Board has reviewed both the financial and statutory compliance aspects of the Audited Financial Statements.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps that are reasonable to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE STATEMENT
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMPLIANCE WITH THE CODE

The Group has adopted all practices and recommendations with exception of the following:

Practice	Explanation of Departure
8.2 & 8.3	Detailed disclosure on remuneration of top five (5) senior management and each member of senior management on a named basis is not disclosed due to security and privacy reasons. The Board is of the opinion that disclosures presented above is sufficient to allow shareholders to make an informed decision.
12.2	The Company is not a Large Company under the Code and is not required to adopt integrated reporting.

The Board is satisfied that the Group has maintained high standards of Corporate Governance and had strived to achieve the highest level of integrity and ethical standard, in all its business dealings, including compliance with the Code throughout the FYE2021.

This Statement of Corporate Governance is made in accordance with the resolution of the Board of Directors dated 12 April 2022.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Audit and Risk Management Committee ("ARMC") is pleased to present its Report for FYE 2021 which provides insights to the manner in which the ARMC had discharged its functions, in compliance with Rule 15.15(1) of the ACE Market Listing Requirements of Bursa Securities and the Malaysian Code on Corporate Governance.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Name	Designation	Directorship
Haida Shenny Binti Hazri	Chairman	Independent Non-Executive Director
Haslinda BT Hussein	Member	Independent Non-Executive Director
Leong Kah Chern	Member	Independent Non-Executive Director (Appointed as a member on 2 August 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Member	Independent Non-Executive Director (Resigned as member on 17 May 2021)

Members of the ARMC during the financial year are as above.

Name of Directors	Attendance
Haida Shenny Binti Hazri	6/6
Haslinda BT Hussein	6/6
Leong Kah Chern (Appointed as a member on 2 August 2021)	2/2
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned as member on 17 May 2021)	2/3

For the FYE 2021, a total of six (6) meetings were held and the details of attendances are as set out above.

I/ COMPOSITION

The ARMC comprises of three (3) members, all of whom are independent non-executive directors. This complies with Rule 15.09(1)(a) and (b) of the AMLR of Bursa Securities and Practice 9.4 under Principle B of the MCCG.

One member of the ARMC, Pn Haslinda BT Hussein is a Chartered Accountant with the Chartered Accountants Australia and New Zealand and a member of the Malaysian Institute of Accountants. The ARMC, therefore, meets the requirements of Rule 15.09(1)(c) of the AMLR of Bursa Securities which stipulates that at least one (1) member of the ARMC must be a qualified accountant.

II/ MEETINGS

The Chairman of the ARMC reports to the Board on principal matters deliberated at the ARMC meetings. Minutes of each ARMC meeting were recorded by the company secretaries and tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

In addition, the CEO, the Executive Director, the Group Chief Financial Officer, key management, external auditors and outsourced internal auditors also attended the meetings when invited by the ARMC to provide and present reports or information during the deliberation of matters pertaining to their respective areas, in the meetings.

The ARMC also had meetings with the external auditors without the presence of Management where they are given the opportunity to raise any concerns or professional opinions and thus, to be able to exert its functions independently.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

III/ TERMS OF REFERENCE

The ARMC had on 30 March 2022 reviewed the Terms of Reference ("TOR") to ensure the alignment with the recommendation best practices under the code.

The updated TOR is available for reference under the "Investor Relations" section of the Company's website at www.PRIVASIA.com.

IV/ SUMMARY OF ACTIVITIES

The following activities were carried out by the ARMC during FYE 2021:

I. Reviewed the quarterly unaudited financial results and the annual audited financial statements for recommendation to the Board;

II. Reviewed with the external auditors the Audit Planning Memorandum and the scope of work for the year;

III. Considered the internal audit function of the Group;

IV. Reviewed the internal audit reports to ensure that appropriate and prompt remedial action has been taken by Management on lapses in controls or procedures identified by internal auditors;

V. Reviewed the changes in major accounting policies;

VI. Reviewed significant or unusual events;

VII. Reviewed the compliance with accounting standards and other legal requirements;

VIII. Reviewed major audit findings raised by the external auditors and management's responses, including the status of previous audit recommendations;

IX. Considered and recommended the appointment of internal and external auditors for the Board's approval;

X. Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control;

XI. Ensured outsourced internal audit function has adequate resources, consisting of people who are adequately skilled;

XII. Reviewed any related party transaction and conflict of interest situation that may arise within the Company and the Group;

XIII. Considered and recommended the proposed audit fee for the Board's approval;

XIV. Received the whistleblowing report; and

XV. Reviewed and considered changes to the TOR of ARMC to be in line with the current changes in the Code, and other requirements before recommending to the Board for approval.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

V/ INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to Wensen Consulting Asia (M) Sdn. Bhd., a professional consulting firm, which provides support to the ARMC in monitoring and managing risks and internal control systems of the Group.

For the financial year ended 31 December 2022, Crowe Governance Sdn. Bhd. has been appointed to replace Wensen Consulting Asia (M) Sdn. Bhd..

The main role of the internal audit function is to review the effectiveness and adequacy of the existing internal control policies and procedures plus to provide recommendations, if any, for the improvement of the internal control policies and procedures. All internal auditors' reports are deliberated by the ARMC and recommendations made are acted upon.

During FYE 2021, the internal auditors carried out the following activities:-

1. SCOPE OF INTERNAL AUDIT REVIEW:

a) Privasat Sdn. Bhd. – Sales and Collections Management, Inventory Management & Results of Fixed Asset Sighting;

b) Privasia Sdn. Bhd. – Results of Fixed Asset Sighting; and

c) Privatel Sdn. Bhd. – Results of Fixed Asset Sighting.

2. PRESENTED OVERALL RATING ON BUSINESS PROCESSES.

3. PRESENTED SUMMARY ON PRIORITISATION OF AUDIT FINDING FOR ACTIONS/ IMPLEMENTATION.

4. PRESENTED SUMMARY ON INTERNAL AUDIT FINDING.

Further details on the internal audit function are reported in the Statement on Risk Management and Internal Control on page 68 to 73.

The total costs incurred for the internal audit function of the Company for FYE 2021 was RM18,000.

This report was made in accordance with a resolution of the Board passed on 12 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present its Statement on Risk Management and Internal Control for FYE 2021. This Statement is prepared pursuant to paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and in accordance with the Principles and Best Practices provisions related to risk management and internal controls provided in the Malaysian Code on Corporate Governance. This Statement is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD'S RESPONSIBILITIES

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

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. This process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

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

The key features of the risk management and internal control systems are described as follows:

RISK MANAGEMENT

The Board recognises that risk management should be an integral part of business operations.

The Group has in place risk profiles of major business units. Key risks of major business units were identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence.

The risk profile of the major business units of the Group is being monitored by its respective key management staff. Existing ERM Framework of the Group is continuously assessed to identify enhancement required, if any.

This is to ensure a robust and sustainable ERM framework is aligned with the Group's vision and missions, as the Group firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value. Key risks of the Group are discussed at management and Board Meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Board receives and reviews quarterly reports from the management on key financial data, and regulatory matters. This is to ensure that matters that require the Board and management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a budgeting system that requires preparation of the annual budget by all major business units. The annual budgets which contain financial, operating targets and performance indicators are reviewed and approved by the Executive Directors together with the management before being presented to the Board for final review and approval.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further independent assurance is provided by the Group's internal audit function and the Audit and Risk Management Committee. The Audit and Risk Management Committee reviews internal control matters and updates the Board on significant issues for the Board's attention and action.

The other salient features of the Group's systems of internal controls are as follows:-

- Established organisational structure with clearly defined lines of responsibilities, authority limits, and accountability aligned to business and operations requirement;
- Quarterly review of the financial performance of the Group by the Board and the Audit and Risk Management Committee;
- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Management meetings are held where policies, decisions and expected operational performance targets and objectives set are communicated and executed;
- Risk management principles, policies, procedures are in place to reflect changing risks or resolve operational deficiencies, and to ensure relevance and compliance with current or applicable laws and regulations. Cases of non-compliance of policies and procedures are reported to the Board and Audit and Risk Committee by exception;
- Investment Committee is established to manage the Group's investment portfolios within the Group strategy and risk frameworks;
- Maintained recruitment, appraisal, reward and training programmes as the Board considers the integrity of staff at all levels is of utmost importance. The Group's culture and values, and the standard of ethical behaviour and conduct it expects from the directors and employees have been communicated to them via letter of appointment and employee handbook;
- Insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group;
- Adopted a Whistleblowing Policy to provide an avenue for employees to report actual or suspected misconducts, malpractices or violations of the Group's policies in a safe and confidential manner;
- Enhancing the quality and ability of employees through training and development;
- Standardised policies and procedures are implemented to the financial and operational controls of the Group;
- Adequate financial information systems are in place to capture and present internal business information;
- As computers are used for transmitting information and storing data, the Group maintains IT security controls such as user and password access rights and backup of data; and
- Adopted an Anti-Bribery and Corruption Policy which describes the Group's commitment to ensure zero-tolerance against any forms of bribery and corruption, in order to maintain the highest standard of integrity, transparency and accountability in the business operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

EXTERNAL AUDIT

In the course of conducting quarterly limited review and annual statutory audit, the external auditor will highlight any significant review, audit, accounting and internal controls matters which require attention to the Board and Audit and Risk Management Committee. In the quarterly Audit and Risk Management Committee meetings, the external auditor will provide views on any related matters for the attention of the Audit and Risk Management Committee. At least once a year, the Audit and Risk Management Committee shall meet the external auditor without the Executive Directors and management being present. This year, the Audit and Risk Management Committee met three times with the external auditor without the Executive Directors and management being present.

As required by the Bursa Securities' Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review has been conducted to access whether the Statement on Risk Management and Internal Control is supported by the documentation in reviewing the adequacy and integrity of risk management and the system of internal control for the Group.

RISK MANAGEMENT

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group systems of internal controls are adequate, efficient and effective. The internal audit function assists the Board and Audit and Risk Management Committee in providing independent assessment of the effectiveness and adequacy and efficiency of the Group's system of internal controls.

The internal audit function of the Group is carried out according to an annual audit plan approved by the Audit and Risk Management Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified.

The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are reported periodically to the Audit and Risk Management Committee.

Follow up reviews are also carried out to assess the status of implementation of management action plans, which are based on internal audit recommendations. The results of these follow up reviews are also highlighted to the Audit and Risk Management Committee.

The audit reports are reviewed by the Audit and Risk Management Committee and forwarded to the Management so that any recommended corrective actions could be undertaken. The Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame.

A total of RM18,000 was spent on internal audit activities for FYE 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during FYE 2021.

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

- Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- Assessments of major business units and functional controls by respective management to complement the above input in providing a holistic view of the Group's risk and control framework effectiveness; and
- The work by the internal audit function which submitted the Internal Audit Plan highlighting the key processes, which have been defined based on the Audit and Risk Management Committee's assessment on the Group's financial, operational, compliance, and information technology risks, and Internal Audit reports to the Audit and Risk Management Committee together with recommendations for improvement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

In accordance with the Bursa's Guidelines, management is responsible to the Board for:

- Identifying risks relevant to the business of the Group's objectives and strategies implementation;
- Designing, implementing and monitoring the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- Identifying changes to risk or emerging risks, taking appropriate actions and promptly bringing these to the attention of the Board.

There have been no significant weaknesses noted which have resulted in any material losses. The Group maintains on-going commitments to continue strengthening its risk management and internal control systems.

Before producing this Statement, the Board has also received assurance from the CEO and Chief Financial Officer of the Company that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

The Board considers the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. The Board and management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

This statement is made in accordance with a resolution of the Board of Directors passed on 12 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

1/ UTILISATION OF PROCEEDS

On 9 September 2020, the Company announced to undertake a private placement of up to 55,820,000 new ordinary shares, representing 10% of the total number of issued shares of the Company.

The private placement was completed on 2 December 2020 following the listing and the quotation of the following:

a/ On 27 November 2020, the first tranche of the private placement was completed following the listing and quotation of 27,910,000 placement shares at an issue price of RM0.123 each, which raised RM3,432,930 in the ACE Market of Bursa Malaysia Securities Berhad.

b/ On 1 December 2020, the second tranche of the private placement was completed following the listing and quotation of another 27,910,000 placement shares at an issue price of RM0.121 each, which raised RM3,377,110 in the ACE Market of Bursa Malaysia Securities Berhad.

Details of utilisation of the proceeds during the financial year ended 31 December 2021 are as follows:

Details of Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Remaining Amount (RM'000)	Expected Utilisation Period
Repayment Of Bank Borrowings	3,123	3,123	-	Within 6 months
Working Capital	3,577	3,577	-	Within 12 months
Estimated Expenses	110	110	-	Within 3 months
TOTAL	**6,810**	**6,810**	**-**	

ADDITIONAL COMPLIANCE INFORMATION

2/ OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The approval of the shareholders for the employees' share option scheme ("ESOS") of up to ten (10) percent of the issued and paid-up share capital of the Company was obtained at the extraordinary general meeting of the Company which was held on 12 March 2009. There were no options allocated during the financial year under review. Further, the Company did not issue any warrants and convertible securities during the financial year under review.

3/ AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for the services rendered to the Company and the Group by the external auditors during the financial year under review are as follows:-

Type of Fees	The Company	The Group
Audit Fee	48,000	184,872
Non-Audit Fee	75,400	76,400
TOTAL	**123,400**	**261,272**

4/ MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the financial year ended 31 December 2021 entered into by the Company and the Group, involving the interests of the directors and major shareholders.

5/ REVALUATION POLICY ON LANDED PROPERTIES

The Group does not have a revaluation policy for its landed properties.

6/ RELATED PARTY TRANSACTIONS

There are no significant related party transactions other than those disclosed in Note 26 in the financial statements.

FINANCIAL STATEMENTS
DIRECTOR'S REPORT

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

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

RESULTS

	GROUP (RM)	COMPANY (RM)
Loss For The Financial Year, Net Of Tax	(2,303,437)	(1,190,149)
Attributable To: Owners Of The Company	(1,971,572)	(1,190,149)
Non-Controlling Interests	(331,865)	-
	(2,303,437)	**(1,190,149)**

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2021.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS
Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS
At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES
At the date of this report, there does not exist:

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

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

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

CHANGE OF CIRCUMSTANCES
At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE
In the opinion of the directors,

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

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

ISSUE OF SHARES AND DEBENTURES
During the financial year, no new issue of shares or debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES
No options were granted to any person to take up the unissued shares of the Company during the financial year.

FINANCIAL STATEMENTS
DIRECTOR'S REPORT

DIRECTORS

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

Puvanesan A/L Subenthiran*	
Andre Anthony A/L Hubert Rene*	
Haida Shenny Binti Hazri	
Haslinda BT Hussein	
Dato' Azman Bin Mahmud	(Appointed on 10 May 2021)
Leong Kah Chern	(Appointed on 10 May 2021)
Rachel Lau Jean Mei	(Appointed on 10 May 2021)
Dato' Mohamed Sharil Bin Mohamed Tarmizi*	(Resigned on 17 May 2021)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Azizul Rahman Bin Yeop Abdul Mutalib	
Datin Safira Binti Mohd Arif	
Richard Lee Teck Soon	
Sulaiha Binti Sawadi	
Thiagarajan A/L Tinakarun	
Rofina Ngau Tingang	
Feroz Ahmed Ahanger	
Dato' Mohamed Sharil Bin Mohamed Tarmizi	(Appointed on 10 December 2020)
Mohd Hilmi Bin Mohd Hithir	(Appointed on 10 December 2020)
Mahesh A/L Supramaniam	(Appointed on 30 November 2021)

DIRECTOR'S INTEREST

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	NUMBER OF ORDINARY SHARES			
	AS 1 JANUARY 2021	BOUGHT	SOLD	AS 31 DECEMBER 2021
DIRECT INTERESTS:				
Puvanesan A/L Subenthiran	16,609,200	633,000	-	17,242,200
Andre Anthony A/L Hubert Rene	10,174,700	-	(4,500,000)	5,674,700
Haida Shenny Binti Hazri	708,000	353,000	(485,000)	576,000
Leong Kah Chern	-	500,000	-	500,000
INDIRECT INTERESTS:				
Puvanesan A/L Subenthiran*	150,885,720	-	-	150,885,720
Andre Anthony A/L Hubert Rene*	156,549,520	-	(1,836,300)	154,713,220

*Shares held through company in which the director has substantial financial interests.

FINANCIAL STATEMENTS
DIRECTOR'S REPORT

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Puvanesan A/L Subenthiran and Andre Anthony A/L Hubert Rene are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS
Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 21 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.

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

INDEMNITY TO DIRECTORS AND OFFICERS
During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM5,000,000 and RM8,500 respectively.

SUBSIDIARIES
The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR
Details of significant events during the financial year are disclosed in Note 31 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR
Details of significant event subsequent to the end of the financial year is disclosed in Note 32 to the financial statements.

AUDITORS
The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 20 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

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

....

DATO' AZMAN BIN MAHMUD
Director

....

PUVANESAN A/L SUBENTHIRAN
Director

Date: 12 April 2022

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	5	13,096,687	19,629,626	3,967	2,378
Investment Property	6	1,825,957	2,167,553	-	-
Goodwill and other Intangible Assets	7	39,090,134	39,268,610	-	-
Investments in Subsidiaries	8	-	-	42,945,432	42,888,027
Investments in Associates	9	-	68,750	-	-
Deferred Tax Assets	10	300,000	300,000	-	-
Total Non-Current Assets		54,312,778	61,434,539	42,943,399	42,890,405
Current Assets					
Inventories	11	477,889	469,350	-	-
Current Tax Assets		190,582	185,910	-	-
Trade and Other Receivables	12	11,851,010	10,228,652	9,580,057	9,786,263
Contract Assets	13	5,709,039	4,920,396	-	-
Deposits, Cash and Bank Balances	14	10,329,550	16,233,366	5,303	1,381,006
Total Current Assets		28,558,070	32,037,674	9,585,360	11,167,269
TOTAL ASSETS		82,870,848	93,472,213	52,534,759	54,057,674

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity Attributable To Owners Of The Company					
Share Capital	15	62,630,042	62,630,042	62,630,042	62,630,042
Exchange Reserve		(18,020)	(10,352)	-	-
(Accumulated Losses)/Retained Earnings		(1,678,344)	293,228	(43,457,375)	(42,267,226)
		60,933,678	62,912,918	19,172,667	20,362,816
Non-controlling interests		(928,435)	(641,058)	-	-
TOTAL EQUITY		60,005,243	62,271,860	19,172,667	20,362,816
Non-Current Liabilities					
Loans And Borrowings	16	5,875,550	8,626,937	-	-
Deferred Tax Liabilities	10	-	1,103,928	-	-
Total Non-Current Liabilities		5,875,550	9,730,865	-	-
Current Liabilities					
Loans And Borrowings	16	6,634,229	8,067,082	-	-
Trade And Other Payables	17	8,869,714	12,422,794	33,362,092	33,694,858
Contract Liabilities	13	1,309,378	556,302	-	-
Current Tax Liabilities		176,734	423,310	-	-
Total Current Liabilities		16,990,055	21,469,488	33,362,092	33,694,858
TOTAL LIABILITIES		22,865,605	31,200,353	33,362,092	33,694,858
TOTAL EQUITY AND LIABILITIES		**82,870,848**	**93,472,213**	**52,534,759**	**54,057,674**

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Revenue	18	40,576,163	41,553,248	-	6,056,827
Cost Of Sales		(30,107,272)	(30,003,434)	-	-
Gross Profit		10,468,891	11,549,814	-	6,056,827
Other Income	19	2,350,191	429,158	8,782	4,827
Other Expenses		(15,152,722)	(14,038,060)	(1,367,615)	(4,660,298)
Net Reversal Of Impairment Losses/ (Impairment Losses) On Financial Instruments		306,795	1,324,401	168,684	(29,699,021)
Operating Loss Before Impairment Of Goodwill		(2,026,845)	(734,687)	(1,190,149)	(28,297,665)
Impairment Of Goodwill		-	(3,328,000)	-	-
Operating Loss After Impairment Of Goodwill		(2,026,845)	(4,062,687)	(1,190,149)	(28,297,665)
Finance Costs		(609,032)	(962,677)	-	-
Share Of Result Of An Associate, Net Of Tax		(68,750)	-	-	-
Loss Before Tax	20	(2,704,627)	(5,025,364)	(1,190,149)	(28,297,665)
Income Tax Credit/(Expense)	22	401,190	(1,424,304)	-	-
Loss For The Financial Year		(2,303,437)	(6,449,668)	(1,190,149)	(28,297,665)
Other Comprehensive Loss, Net Of Tax Item That May Be Reclassified Subsequently To Profit Or Loss					
Exchange Differences On Translation Of Foreign Operation		(7,668)	(2,131)	-	-
Other Comprehensive Loss For The Financial Year		(7,668)	(2,131)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		**(2,311,105)**	**(6,451,799)**	**(1,190,149)**	**(28,297,665)**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Loss Attributable To:					
- Owners Of The Company		(1,971,572)	(6,311,832)	(1,190,149)	(28,297,665)
- Non-Controlling Interests		(331,865)	(137,836)	-	-
		(2,303,437)	(6,449,668)	(1,190,149)	(28,297,665)
Total Comprehensive Loss Attributable To:					
- Owners Of The Company		(1,979,240)	(6,313,963)	(1,190,149)	(28,297,665)
- Non-Controlling Interests		(331,865)	(137,836)	-	-
		(2,311,105)	(6,451,799)	(1,190,149)	(28,297,665)
Loss Per Share (Sen):					
- Basic And Diluted	23	(0.32)	(1.03)		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	NOTE	< ATTRIBUTABLE TO THE OWNERS OF THE COMPANY >					
		SHARE CAPITAL	EXCHANGE RESERVE	RETAINED EARNINGS/ (ACCUMULATED LOSSES)	SUB-TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		RM	RM	RM	RM	RM	RM
GROUP							
At 1 January 2021		62,630,042	(10,352)	293,228	62,912,918	(641,058)	62,271,860
Total Comprehensive Loss For The Financial Year							
Loss For The Financial Year		-	-	(1,971,572)	(1,971,572)	(331,865)	(2,303,437)
Other Comprehensive Loss For The Financial Year		-	(7,668)	-	(7,668)	-	(7,668)
Total Comprehensive Loss		-	(7,668)	(1,971,572)	(1,979,240)	(331,865)	(2,311,105)
Transactions With Owners							
Changes In Ownership Interests In A Subsidiary	8(f)	-	-	-	-	44,488	44,488
Total Transactions With Owners		-	-	-	-	44,488	44,488
At 31 December 2021		**62,630,042**	**(18,020)**	**(1,678,344)**	**60,933,678**	**(928,435)**	**60,005,243**

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		< ATTRIBUTABLE TO THE OWNERS OF THE COMPANY >					
	NOTE	SHARE CAPITAL	EXCHANGE RESERVE	RETAINED EARNINGS	SUB-TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		RM	RM	RM	RM	RM	RM
GROUP (continued)							
At 1 January 2020		55,820,002	(8,221)	6,605,060	62,416,841	(503,262)	61,913,579
Total Comprehensive Loss For The Financial Year							
Loss For The Financial Year		-	-	(6,311,832)	(6,311,832)	(137,836)	(6,449,668)
Other Comprehensive Loss For The Financial Year		-	(2,131)	-	(2,131)	-	(2,131)
Total Comprehensive Loss		-	(2,131)	(6,311,832)	(6,313,963)	(137,836)	(6,451,799)
Transactions With Owners							
Issue of ordinary shares	15	6,810,040	-	-	6,810,040	-	6,810,040
Changes In Ownership Interests In A Subsidiary	8(f)	-	-	-	-	40	40
Total Transactions With Owners		6,810,040	-	-	6,810,040	40	6,810,080
At 31 December 2020		62,630,042	(10,352)	293,228	62,912,918	(641,058)	62,271,860

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		< ATTRIBUTABLE TO THE OWNERS OF THE COMPANY >		
	NOTE	SHARE CAPITAL	(ACCUMULATED LOSSES)	TOTAL EQUITY
		RM	RM	RM
COMPANY				
At 1 January 2021		62,630,042	(42,267,226)	20,362,816
Total Comprehensive Loss For The Financial Year				
Loss For The Financial Year, Representing Total Comprehensive Loss		-	(1,190,149)	(1,190,149)
At 31 December 2021		62,630,042	(43,457,375)	19,172,667
At 1 January 2020		55,820,002	(13,969,561)	41,850,441
Total Comprehensive Loss For The Financial Year				
Loss For The Financial Year, Representing Total Comprehensive Loss		-	(28,297,665)	(28,297,665)
Transactions With Owners				
Issue Of Ordinary Shares	15	6,810,040	-	6,810,040
At 31 December 2020		62,630,042	(42,267,226)	20,362,816

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	NOTE	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Cash Flows From Operating Activities					
Loss Before Tax		(2,704,627)	(5,025,364)	(1,190,149)	(28,297,665)
Adjustments For:					
Amortisation Of Intangible Assets		1,043,990	659,683	-	-
Bad Debts Written Off		14,003	1,148,439	-	-
Depreciation Of Investment Property		26,596	26,596	-	-
Depreciation Of Property, Plant And Equipment		5,671,537	7,208,655	2,639	1,583
Gain On Disposal Of Property, Plant And Equipment		(550,357)	(1,814)	-	-
Gain On Disposal Of Intangible Assets		(39,415)	-	-	-
Impairment Loss On:					
- Trade Receivables		47,455	58,017	-	-
- Amount Owing By Subsidiaries (Trade)		-	-	-	45,235
- Amount Owing By Subsidiaries (Non-Trade)		-	-	-	596,984
- Amount Owing By An Associate (Non-Trade)		7,629	49,802	-	-
- Goodwill		-	3,328,000	-	-
- Investment In Subsidiaries		-	-	-	15,150,000
- Investment Property		315,000	-	-	-
- Quasi Loan		-	-	-	13,997,194
Intangible Assets Written Off		1	3,573	-	-
Interest Expense		609,032	962,677	-	-
Interest Income		(125,184)	(181,448)	(8,782)	(4,827)
Inventories Written Off		2,706	2,457	-	-
Loss On Disposal Of Property, Plant And Equipment		32,050	-	-	-
Property, Plant And Equipment Written Off		892	33,881	-	-
Reversal Of Impairment Loss On:					
- Trade Receivables		(361,879)	(1,432,220)	-	-
- Amount Owing By Subsidiaries (Trade)		-	-	(874)	-
- Amount Owing By Subsidiaries (Non-Trade)		-	-	(167,810)	(90,392)
Reversal Of Inventories Written Down		(11,848)	(1,350)	-	-
Share Of Result Of An Associate, Net of Tax		68,750	-	-	-
Unrealised Loss/(Gain) On Foreign Exchange		11,810	(11,588)	-	-
Operating Profit/(Loss) Before Changes In Working Capital, Carried Forward		**4,058,141**	**6,827,996**	**(1,364,976)**	**1,398,112**

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Cash Flows From Operating Activities (Continued)					
Operating Profit/(Loss) Before Changes In Working Capital, Brought Forward		4,058,141	6,827,996	(1,364,976)	1,398,112
Changes In Working Capital:					
Inventories		603	606,280	-	-
Receivables		(1,329,566)	1,922,200	2,348,141	(2,758,211)
Payables		(3,496,140)	1,858,634	114,672	(102,373)
Contract Assets		(788,643)	(222,534)	-	-
Contract Liabilities		753,076	(295,269)	-	-
Net Cash (Used In)/Generated From Operations		(802,529)	10,697,307	1,097,837	(1,462,472)
Interest Paid		(7,525)	(18,190)	-	-
Interest Received		125,184	181,448	8,782	4,827
Income Tax Paid		(953,986)	(1,106,749)	-	-
Net Cash (Used In)/From Operating Activities		(1,638,856)	9,753,816	1,106,619	(1,457,645)
Cash Flows From Investing Activities					
Acquisition Of An Associate, Net Of Cash	9	-	(68,750)	-	-
Acquisition Of Interest In A Subsidiary, Net Of Cash	8	44,488	40	-	-
Addition Of Intangible Assets		(938,286)	(835,875)	-	-
Advances To Subsidiaries		-	-	(1,963,924)	(4,032,462)
Investment In Subsidiaries		-	-	(66,732)	(300,060)
Proceeds From Disposal Of Intangible Assets		112,186	-	-	-
Proceeds From Disposal Of Property, Plant And Equipment		1,651,823	2,521	-	-
Purchase Of Property, Plant And Equipment		(272,989)	(512,153)	(4,228)	-
Net Cash From/(Used In) Investing Activities		597,222	(1,414,217)	(2,034,884)	(4,332,522)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Cash Flows From Financing Activities					
Changes In Pledged Deposits		(69,380)	2,057,542	-	-
Interest Paid		(601,507)	(944,487)	-	-
Payment Of Lease Liabilities		(1,072,042)	(1,990,862)	-	-
Proceeds From Issuance Of Ordinary Shares		-	6,810,040	-	6,810,040
Proceeds From Term Loans		-	502,533	-	-
Proceeds From Trade Facilities		1,269,574	519,982	-	-
Repayment Of Term Loans		(5,340,038)	(2,181,243)	-	-
(Repayment To)/Advances From An Associate		(68,750)	68,750	-	-
(Repayment To)/Advances From Subsidiaries		-	-	(447,438)	346,074
Withdrawal/(Placement) Of Deposits With Licensed Banks		146,023	(3,845)	-	-
Net Cash (Used In)/From Financing Activities		(5,736,120)	4,838,410	(447,438)	7,156,114
Net (Decrease)/Increase In Cash And Cash Equivalents		(6,777,754)	13,178,009	(1,375,703)	1,365,947
Cash And Cash Equivalents At The Beginning Of The Financial Year		10,964,873	(2,211,001)	1,381,006	15,059
Exchange Rate Adjustment		(7,685)	(2,135)	-	-
Cash And Cash Equivalents At The End Of The Financial Year	14	**4,179,434**	**10,964,873**	**5,303**	**1,381,006**

(a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment.

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Cash Payments On Purchase Of Property, Plant And Equipment		272,989	512,153	4,228	-

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1 JANUARY 2021 RM	CASH FLOWS RM	31 DECEMBER 2021 RM
GROUP			
Amount Owing To An Associate	68,750	(68,750)	-
Lease Liabilities	1,145,832	(1,072,042)	73,790
Term Loans	12,315,796	(5,340,038)	6,975,758
Trade Facilities	1,407,924	1,269,574	2,677,498
	14,938,302	(5,211,256)	9,727,046
COMPANY			
Amount Owing To Subsidiaries	33,566,511	(447,438)	33,119,073

	1 JANUARY 2020 RM	CASH FLOWS RM	31 DECEMBER 2020 RM
GROUP			
Amount Owing To An Associate	-	68,750	68,750
Lease Liabilities	3,136,694	(1,990,862)	1,145,832
Term Loans	13,994,506	(1,678,710)	12,315,796
Trade Facilities	887,942	519,982	1,407,924
	18,019,142	(3,080,840)	14,938,302
COMPANY			
Amount Owing To Subsidiaries	33,220,437	346,074	33,566,511

(c) Total cash outflows for leases as a lessee:

		GROUP	
	NOTE	2021 RM	2020 RM
Included In Net Cash (Used In)/From Operating Activities:			
Payment Relating To Short Term Leases	20	19,966	-
Payment Relating To Leases Of Low-Value Assets	20	20,847	17,998
Interest Paid In Relation To Lease Liabilities	20	7,525	18,190
Included In Net Cash (Used In)/From Financing Activities:			
Interest Paid In Relation To Lease Liabilities	20	12,226	72,404
Payment Of Lease Liabilities	16	1,072,042	1,990,862
Total Cash Outflows For Leases		1,132,606	2,099,454

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

PRIVASIA Technology Berhad ("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 registered office of the Company is located at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Unit C-21-02, 3 Two Square, No.2 Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8.

There have been no significant changes in the nature of these 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 12 April 2022.

2. BASIS OF PREPARATION

2.1 *STATEMENT OF COMPLIANCE*

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

2. BASIS OF PREPARATION (continued)

2.2 *ADOPTION OF AMENDMENTS/IMPROVEMENTS TO MFRSs*

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 139	Financial Instruments: Recognition and Measurement

*Early adopted the amendment to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 6 April 2021

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below.

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

The Group and the Company have adopted the amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 for the first time in the current year. The Interest Rate Benchmark Reform—Phase 2 amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The Group and the Company elected the practical expedient to not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark.

Amendment to MFRS 16 Leases

The Group and the Company have adopted the amendment(s) to MFRS 16 that issued on 5 June 2020 and early adopted the amendment(s) to MFRS 16 that issued on 6 April 2021 that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications, applying to reduction in lease payments originally due on or before 30 June 2021 and 30 June 2022.

2. BASIS OF PREPARATION (continued)

2.3 *NEW MFRS AND AMENDMENTS/IMPROVEMENTS TO MFRSS THAT HAVE BEEN ISSUED, BUT YET TO BE EFFECTIVE*

(a) The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		EFFECTIVE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-Time Adoption Of Malaysian Financial Reporting Standards	1 January 2022^ / 1 January 2023#
MFRS 3	Business Combinations	1 January 2022 / 1 January 2023#
MFRS 5	Non-Current Assets Held For Sale And Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2022^ / 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue From Contracts With Customers	1 January 2023#
MFRS 16	Leases	1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation Of Financial Statements	1 January 2023 / 1 January 2023#
MFRS 107	Statements Of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes In Accounting Estimates And Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant And Equipment	1 January 2022 / 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments In Associates And Joint Ventures	Deferred / 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment Of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities And Contingent Assets	1 January 2022 / 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (continued)

2.3 *NEW MFRS AND AMENDMENTS/IMPROVEMENTS TO MFRSS THAT HAVE BEEN ISSUED, BUT YET TO BE EFFECTIVE (continued)*

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below.

Annual Improvements to MFRS Standards 2018-2020
Annual Improvements to MFRS Standards 2018-2020 covers amendments to:

- MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 Financial Instruments – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 Leases – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 Agriculture – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combinations
The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by MASB in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures
These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associates or joint ventures.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements
The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liabilities are unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

2. BASIS OF PREPARATION (continued)

2.3 *NEW MFRS AND AMENDMENTS/IMPROVEMENTS TO MFRSS THAT HAVE BEEN ISSUED, BUT YET TO BE EFFECTIVE (continued)*

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below. (continued)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes
The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligations.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

Amendments to MFRS 116 Property, Plant and Equipment
The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

2.4 *FUNCTIONAL AND PRESENTATION CURRENCY*

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

2.5 *BASIS OF MEASUREMENT*

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 *BASIS OF CONSOLIDATION*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries And Business Combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.8(a).

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *BASIS OF CONSOLIDATION (continued)*

(a) Subsidiaries And Business Combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-Controlling Interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *BASIS OF CONSOLIDATION (continued)*

(c) Associates (continued)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

(d) Transactions Eliminated On Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 *SEPARATE FINANCIAL STATEMENTS*

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *FOREIGN CURRENCY TRANSACTIONS AND OPERATIONS*

(a) *Translation Of Foreign Currency Transactions*

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) *Translation Of Foreign Operations*

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *FINANCIAL INSTRUMENTS*

Financial instruments 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 instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. 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 Revenue from Contracts with Customers.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent Measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial Assets

For the purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt Instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments at amortised cost.

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *FINANCIAL INSTRUMENTS (continued)*

(a) *Subsequent Measurement (continued)*

The Group and the Company categorise the financial instruments as follows (continued):

(i) *Financial Assets (continued)*

Equity Instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at fair value through other comprehensive income ("FVOCI"). The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) *Financial Liabilities*

The Group and the Company classify their financial liabilities at amortised cost.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) *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.

(c) *Regular Way Purchase Or Sale Of Financial Assets*

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *FINANCIAL INSTRUMENTS (continued)*

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

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

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting Of Financial Instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *PROPERTY, PLANT AND EQUIPMENT*

(a) *Recognition And Measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate item of property, plant and equipment.

(b) *Subsequent Costs*

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

(c) *Depreciation*

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful Lives
Buildings	94 years
Computer equipment	3 – 5 years
Telecommunication and other equipment	3 – 5 years
Renovation	3 – 5 years
Motor vehicles	5 years
Other assets	1 year

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) *Derecognition*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *LEASES*

(a) Definition Of Lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee Accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 5 and lease liabilities in Note 16.

Right-Of-Use Asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *LEASES (continued)*

(b) Lessee Accounting (continued)

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-Term Leases And Leases Of Low Value Assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *LEASES (continued)*

(c) Lessor Accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sublease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

3.7 *INVESTMENT PROPERTY*

Investment property is property held to earn rental income or for capital appreciation or both.

Investment property are initially measured at cost, including transaction costs. The Group uses the cost model to measure its investment property after initial recognition. Accordingly, investment property is stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *GOODWILL AND OTHER INTANGIBLE ASSETS*

(a) Goodwill

Goodwill arising from business combinations 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. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

In respect of equity-accounted associates, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Development Costs

An intangible asset arising from development is recognised when the following criteria are met:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(ii) management intends to complete the intangible asset and use or sell it;
(iii) there is an ability to use or sell the asset;
(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
(v) adequate resources to complete the development and to use or sell the intangible asset are available; and
(vi) the expenditures attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment of any losses is in accordance with Note 3.12(b).

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

(c) Computer Software

Computer software that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

(d) Amortisation

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful Lives
Development costs	Straight-line	5 – 10 years
Computer software	Straight-line	3 – 5 years

The residual values, useful lives and amortisation methods are reviewed at the end of each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *INVENTORIES*

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- consumables and trading goods: the actual costs of purchase and incidentals in bringing the inventories into store. These costs are assigned on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.10 *CONTRACT ASSETS / (LIABILITIES)*

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a).

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

3.11 *CASH AND CASH EQUIVALENTS*

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts, pledged deposits and deposits placed with licensed banks with maturity period more than three months.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *IMPAIRMENT OF ASSETS*

(a) Impairment Of Financial Assets And Contract Assets

Financial assets measured at amortised cost and contract assets will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the debtor is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *IMPAIRMENT OF ASSETS (continued)*

(a) *Impairment Of Financial Assets And Contract Assets (continued)*

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost 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. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) *Impairment Of Non-Financial Assets*

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life, the recoverable amount is estimated at each reporting date.

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 cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *IMPAIRMENT OF ASSETS (continued)*

(b) *Impairment Of Non-Financial Assets (continued)*

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced 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.

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. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.13 *SHARE CAPITAL*

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

3.14 *EMPLOYEE BENEFITS*

(a) *Short-Term Employee Benefits*

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) *Defined Contribution Plans*

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *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.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.16 *REVENUE AND OTHER INCOME*

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contract.

(a) *Rental Income*
Rental income is recognised on a straight-line basis over the term of the lease.

(b) *Rendering Of Services*
Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(c) *Sale Of Goods*
Revenue from sale of goods are recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of the goods.

A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *REVENUE AND OTHER INCOME (continued)*

(d) *Interest Income*
Interest income is recognised using the effective interest method.

(e) *Dividend Income*
Dividend income is recognised when the right to receive payment is established.

(f) *Management Fee Income*
Revenue is recognised over time when services are rendered.

3.17 *BORROWING COSTS*

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.18 *INCOME TAXES*

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

(a) *Current Tax*

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *INCOME TAXES (continued)*

(b) Deferred Tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date 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 is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

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 either in other comprehensive income or directly in equity.

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

(c) Sales And Service Tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

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

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *EARNINGS PER 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 EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 *OPERATING SEGMENTS*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.21 *FAIR VALUE MEASUREMENTS*

Fair value of an asset or a liability, except for lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.22 *CONTINGENCIES*

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment Of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 7.

(b) Impairment Of Intangible Assets

The Group determines whether intangible assets, not yet available for use, is impaired, at least on an annual basis. Development costs have finite useful lives and are assessed for impairment whenever there is an indication of impairment.

This requires an estimation of the value-in-use of the assets. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of the cash flows.

The carrying amounts of the Group's intangible assets are disclosed in Note 7.

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

(c) *Impairment Of Financial Assets*

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. 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 carrying amounts of the non-financial assets are disclosed in Note 12.

The information about the impairment losses on the Group's and the Company's financial assets are disclosed in Note 28.

(d) *Impairment Of Non-Financial Assets*

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group and the Company use their judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the non-financial assets are disclosed in Notes 5 and 9.

5. PROPERTY, PLANT AND EQUIPMENT

	BUILDINGS RM	COMPUTER EQUIPMENT RM
GROUP		
COST		
At 1 January 2021	12,000,000	43,442,464
Additions	-	193,730
Disposals	-	(2,515,835)
Reclassifications	-	8,620,086
Written Off	-	(29,813)
Exchange Difference	-	-
At 31 December 2021	12,000,000	49,710,632
ACCUMULATED DEPRECIATION		
At 1 January 2021	1,595,746	38,419,924
Depreciation Charge For The Financial Year	127,659	2,662,044
Disposals	-	(2,164,552)
Reclassifications	-	8,481,101
Written Off	-	(29,799)
Exchange Difference	-	-
At 31 December 2021	1,723,405	47,368,718
CARRYING AMOUNT		
At 31 December 2021	**10,276,595**	**2,341,914**

TELECOMMUNICATION AND OTHER EQUIPMENT RM	RENOVATION RM	MOTOR VEHICLE RM	OTHER ASSETS RM	RIGHT-OF-USE ASSETS RM	TOTAL RM
18,750,379	793,508	-	283,807	9,079,037	84,349,195
31,648	47,135	-	476	-	272,989
(4,193,373)	-	-	(84,965)	-	(6,794,173)
(277,647)	(10,880)	40,303	-	(8,371,862)	-
(127,280)	-	-	-	-	(157,093)
29	-	-	-	-	29
14,183,756	829,763	40,303	199,318	707,175	77,670,947
16,210,040	767,549	-	277,826	7,448,484	64,719,569
1,287,644	33,617	-	959	1,559,614	5,671,537
(3,411,559)	-	-	(84,546)	-	(5,660,657)
(148,109)	(1,449)	37,615	-	(8,369,158)	-
(126,402)	-	-	-	-	(156,201)
12	-	-	-	-	12
13,811,626	799,717	37,615	194,239	638,940	64,574,260
372,130	**30,046**	**2,688**	**5,079**	**68,235**	**13,096,687**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	BUILDINGS RM	COMPUTER EQUIPMENT RM
GROUP		
COST		
At 1 January 2020	12,000,000	43,333,663
Additions	-	428,241
Disposals	-	(103,787)
Written Off	-	(215,653)
Exchange Difference	-	-
At 31 December 2020	12,000,000	43,442,464
ACCUMULATED DEPRECIATION		
At 1 January 2020	1,468,086	35,719,915
Depreciation Charge For The Financial Year	127,660	2,986,556
Disposals	-	(103,175)
Written Off	-	(183,372)
Exchange Difference	-	-
At 31 December 2020	1,595,746	38,419,924
CARRYING AMOUNT		
At 31 December 2020	**10,404,254**	**5,022,540**

TELECOMMUNICATION AND OTHER EQUIPMENT	RENOVATION	OTHER ASSETS	RIGHT-OF-USE ASSETS	TOTAL
RM	RM	RM	RM	RM
18,699,458	793,508	279,185	9,079,037	84,184,851
79,090	-	4,822	-	512,153
(550)	-	-	-	(104,337)
(27,625)	-	(200)	-	(243,478)
6	-	-	-	6
18,750,379	793,508	283,807	9,079,037	84,349,195
14,079,686	738,846	273,466	5,544,140	57,824,139
2,156,833	28,703	4,559	1,904,344	7,208,655
(455)	-	-	-	(103,630)
(26,026)	-	(199)	-	(209,597)
2	-	-	-	2
16,210,040	767,549	277,826	7,448,484	64,719,569
2,540,339	**25,959**	**5,981**	**1,630,553**	**19,629,626**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	COMPUTER EQUIPMENT RM
COMPANY	
COST	
At 1 January 2021	4,752
Additions	4,228
At 31 December 2021	8,980
ACCUMULATED DEPRECIATION	
At 1 January 2021	2,374
Depreciation Charge For The Financial Year	2,639
At 31 December 2021	5,013
CARRYING AMOUNT	
At 31 December 2021	**3,967**
COST	
At 1 January 2020 / 31 December 2020	4,752
ACCUMULATED DEPRECIATION	
At 1 January 2020	791
Depreciation Charge For The Financial Year	1,583
At 31 December 2020	2,374
CARRYING AMOUNT	
At 31 December 2020	**2,378**

(a) Assets Pledged As Security

Buildings of the Group with carrying amount of RM10,276,595 (2020: RM10,404,254) have been pledged as security to secure banking facilities granted to a subsidiary as disclosed in Note 16.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) *Right-Of-Use Assets*

The Group leases several assets including buildings, motor vehicle, computer and other equipment.

Information about leases for which the Group is lessee is presented below:

	BUILDINGS RM	MOTOR VEHICLE RM	COMPUTER AND OTHER EQUIPMENT RM	TOTAL RM
CARRYING AMOUNT				
At 1 January 2020	325,380	18,809	3,190,708	3,534,897
Depreciation	(188,193)	(8,060)	(1,708,091)	(1,904,344)
At 31 December 2020	137,187	10,749	1,482,617	1,630,553
Depreciation	(121,180)	(8,060)	(1,430,374)	(1,559,614)
Reclassification	-	(2,689)	(15)	(2,704)
At 31 December 2021	**16,007**	**-**	**52,228**	**68,235**

The Group leases buildings for office and warehouse space. The leases for office and warehouse space generally have lease term between 2 to 3 years.

The Group also leases computer and other equipment with lease term between 3 to 5 years.

6. INVESTMENT PROPERTY

	GROUP	
	2021 RM	2020 RM
AT COST:		
At 1 January / 31 December	2,500,000	2,500,000
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS		
At 1 January 2021	332,447	305,851
Depreciation Charge For The Financial Year	26,596	26,596
Impairment Loss	315,000	-
At 31 December 2021	674,043	332,447
CARRYING AMOUNT		
At 31 December 2021	**1,825,957**	**2,167,553**

The Group's investment property comprises a commercial property that is leased to a third party.

The investment property of the Group with carrying amount of RM1,825,957 (2020: RM2,167,553) has been pledged as security to secure banking facilities as disclosed in Note 16.

The following are recognised in profit or loss in respect of investment property:

	GROUP	
	2021 RM	2020 RM
Rental Income	53,125	64,728
Direct Operating Expenses	(37,728)	(37,883)

Fair Value Information

Fair value of investment property is categorised as follows:

	GROUP LEVEL 2 RM
31.12.2021 - Leasehold Building	1,798,000
31.12.2020 - Leasehold Building	1,980,000

The fair value of investment property is measured at Level 2 hierarchy.

Level 2 Fair Value

Level 2 fair values of buildings have been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings.

There are no Level 1 and Level 3 investment property during the financial years ended 31 December 2021 and 31 December 2020.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

	GOODWILL	DEVELOPMENT COSTS	COMPUTER SOFTWARE	TOTAL
	RM	RM	RM	RM
GROUP				
COST				
At 1 January 2020	36,005,230	14,849,982	5,059,300	55,914,512
Additions				
- Developed Internally	-	789,915	-	789,915
- Acquired Separately	-	-	45,960	45,960
	-	789,915	45,960	835,875
Written Off	-	(10,716)	-	(10,716)
At 31 December 2020	36,005,230	15,629,181	5,105,260	56,739,671
Additions				
- Developed Internally	-	938,286	-	938,286
Disposals	-	-	(363,844)	(363,844)
Written Off	-	-	(915)	(915)
At 31 December 2021	36,005,230	16,567,467	4,740,501	57,313,198
ACCUMULATED AMMORTISATION AND IMPAIRMENT LOSS				
At 1 January 2020	788,996	8,173,250	4,528,275	13,490,521
Amortisation Charge For The Financial Year	-	380,974	278,709	659,683
Impairment Loss	3,328,000	-	-	3,328,000
Written Off	-	(7,143)	-	(7,143)
At 31 December 2020	4,116,996	8,547,081	4,806,984	17,471,061
Amortisation Charge For The Financial Year	-	850,736	193,254	1,043,990
Disposals	-	-	(291,073)	(291,073)
Written Off	-	-	(914)	(914)
At 31 December 2021	4,116,996	9,397,817	4,708,251	18,223,064
CARRYING AMOUNT				
At 31 December 2020	**31,888,234**	**7,082,100**	**298,276**	**39,268,610**
At 31 December 2021	**31,888,234**	**7,169,650**	**32,250**	**39,090,134**

7. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

(a) *Amortisation*

The amortisation of development costs of the Group amounting to RM727,322 and RM123,414 (2020: RM380,974) are included in cost of sales and other expenses respectively. The amortisation of computer software of the Group amounting to RM118,138 and RM75,116 (2020: RM167,397 and RM111,312) are included in cost of sales and other expenses respectively.

(b) *Development Costs*

Development costs represent software under development and fully developed. It is reasonably anticipated that the costs will be recovered through future commercial activities.

(c) *Computer Software*

It represents software acquired that is not integral to the functionality of equipment.

(d) *Goodwill*

Directors review the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash-generating units ("CGUs") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal reporting purposes.

The carrying amounts of goodwill arising from business combination has been allocated to the Group's CGUs identified according to the following segments for impairment testing are as follows:

	GROUP	
	2021 RM	2020 RM
CASH-GENERATING UNIT		
Information Technology ("IT") - CGU 1	31,189,056	31,189,056
Information And Communication Technology (""ICT"") - CGU 2"	699,178	699,178
	31,888,234	31,888,234

The recoverable amount of CGUs has been determined based on value-in-use calculations using cash flows projection from financial budget and forecasts approved by directors covering a five-year period. The same method has also been used in the previous financial year.

7. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

(d) Goodwill (continued)

For each of the CGUs with significant amount of goodwill, the value-in-use calculation is most sensitive to the following key assumptions:

	GROUP	
	2021 RM	2020 RM
CGU 1		
Revenue (% Of Annual Growth Rate)	20% - 131%	5% - 44%
Operating Expenses (% Of Annual Incremental Rate)	5% - 21%	3%
Gross Margin (% Of Revenue)	28% - 34%	35% - 39%
Discount Rate	13%	14%
CGU 2		
Revenue (% Of Annual Growth Rate)	11% - 278%	3% - 182%
Operating Expenses (% Of Annual Incremental Rate)	5% - 51%	3%
Gross Margin (% Of Revenue)	15% - 20%	22% - 26%
Discount Rate	13%	13%

Gross margin is the forecasted margin as a percentage of revenue over the five year projection period. These are increased over the projection period for anticipated efficiency improvements.

Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects directors' estimate of the risks specific to the CGUs at the date of assessment.

In current financial year, the estimated recoverable amount of the CGU 1 exceeds the carrying amount of the CGU 1. As a result of the analysis, management did not identify an impairment for this CGU. Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying amount of the CGU to exceed its recoverable amounts.

The recoverable amount of the CGU 2 was based on its value in use, determining by discounting future cash flows to be generated by the ICT segment. The impairment loss recognised in previous financial year was allocated fully to goodwill and is recorded in the statement of comprehensive income of the Group.

8. INVESTMENT IN SUBSIDIARIES

	NOTE	GROUP 2021 RM	 2020 RM
Unquoted Shares, At Cost		61,863,240	61,563,180
Add: Addition During The Financial Year		66,732	300,060
Less: Impairment Loss	(a)	(19,113,179)	(19,113,179)
		42,816,793	42,750,061
Loans That Are Part Of Net Investment	(b)	32,504,696	32,514,023
Less: Impairment Loss	(b)	(32,376,057)	(32,376,057)
		128,639	137,966
At The End Of The Financial Year		**42,945,432**	**42,888,027**

(a) The Company's investment in subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of investment in subsidiaries is as follows:

	GROUP 2021 RM	 2020 RM
At 1 January	19,113,179	3,963,179
Impairment Loss For The Financial Year	-	15,150,000
At 31 December	**19,113,179**	**19,113,179**

(b) Loans that are part of net investment represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amounts are neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

The reconciliation of movement in the impairment loss on loans that are part of net investment is as follows:

	GROUP 2021 RM	 2020 RM
At 1 January	32,376,057	18,378,863
Impairment Loss For The Financial Year	-	13,997,194
At 31 December	**32,376,057**	**32,376,057**

8. INVESTMENT IN SUBSIDIARIES (continued)

(c) Details of the subsidiaries are as follows:

NAME OF COMPANY	OWNERSHIP INTEREST 2021 %	2020 %	PRINCIPAL ACTIVITIES
DIRECT SUBSIDIARIES			
Privasia Sdn. Bhd.	100	100	Outsourcing, consultation, e-procurement and related functions
Privanet Sdn. Bhd.	100	100	Provision of total wireless and communication solutions
Privasat Sdn. Bhd.	100	100	Providing high speed internet broadband access (satellite services)
Spring Reach Distribution Sdn. Bhd.	70	70	Trading of electronic and telecommunication equipment
Privaports Sdn. Bhd.	100	100	Development, promotion and operation of general cargo terminal operating system for general cargo terminals
Privarail Sdn. Bhd.	80	80	Provision of the railway system, engineering and related services, and information technology and communication services
Finanshere Sdn. Bhd.	60	60	Provision of digital procurement integrated with Shariah compliant supply chain finance collaboration solution
Digital Medtech Solutions Sdn. Bhd.	100	-	Provision of software development, multimedia, information technology and other related services
INDIRECT SUBSIDIARIES			
Subsidiaries of Privasia Sdn. Bhd.			
Privasia (Sabah) Sdn. Bhd.	100	100	Provision of supplying, testing and commissioning of IT active equipment
Privacom Sdn. Bhd.	100	100	Dealer in data processing equipment, computer system and provision of telecommunication and computer network consultancy services
Subsidiary of Privanet Sdn. Bhd.			
Privatel Sdn. Bhd.	95	95	Provision of network engineering services
Subsidiary of Privatel Sdn. Bhd.			
Privatel (Singapore) Pte. Ltd. ^	95	95	Provision of network engineering services
Subsidiary of Privarail Sdn. Bhd.			
Privasia IOT Sdn. Bhd.	80	80	Provision of communication solutions

^ Audited by an independent member firm of Baker Tilly International.

All the subsidiaries have principal place of business and are incorporated in Malaysia, except for Privasia (Singapore) Pte. Ltd. which has principal place of business and is incorporated in Singapore.

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) Non-Controlling Interests ("NCI") In Subsidiaries

The financial information of the Group's subsidiaries that have NCI are as follows:

	SPRING REACH DISTRIBUTION SDN. BHD. RM	PRIVATEL SDN. BHD. RM	PRIVATEL (SINGAPORE) PTE. LTD. RM	PRIVARAIL SDN. BHD. RM	PRIVASIA IOT SDN. BHD. RM	FINANSHERE SDN. BHD. RM	TOTAL RM
2021							
NCI Percentage Of Ownership	30%	5%	5%	20%	20%	40%	
Carrying Amount Of NCI	(511,988)	(83,653)	(30,418)	26,562	(114,761)	(214,177)	(928,435)
Profit/(Loss) Allocated To NCI	161	(56,384)	(1,338)	(3,004)	(25,775)	(245,525)	(331,865)
2020							
NCI Percentage Of Ownership	30%	5%	5%	20%	20%	40%	
Carrying Amount Of NCI	(512,149)	(27,269)	(29,080)	29,566	(88,986)	(13,140)	(641,058)
Loss Allocated To NCI	(565)	(62,779)	(716)	(2,989)	(57,607)	(13,180)	(137,836)

8. INVESTMENT IN SUBSIDIARIES (continued)

(e) *Summarised Financial Information Of Non-Controlling Interests*

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have NCI are as follows:

	SPRING REACH DISTRIBUTION SDN. BHD.	PRIVATEL SDN. BHD.	PRIVATEL (SINGAPORE) PTE. LTD.	PRIVARAIL SDN. BHD.	PRIVASIA IOT SDN. BHD.	FINANSHERE SDN. BHD.
	RM	RM	RM	RM	RM	RM
2021						
SUMMARISED STATEMENTS OF FINANCIAL POSITION						
Non-Current Assets	10	68,732	778	141,485	19,797	10,645
Current Assets	2,725,129	5,330,234	4,948	7,367	592,615	7,614
Current Liabilities	(4,431,769)	(3,204,778)	(614,080)	(16,036)	(1,485,871)	(553,703)
Net (Liabilities)/Assets	(1,706,630)	2,194,188	(608,354)	132,816	(873,459)	(535,444)
Loans That Are Part Of Investment	-	(3,867,235)	-	-	(192,914)	-
	(1,706,630)	(1,673,047)	(608,354)	132,816	(1,066,373)	(535,444)
SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME						
Revenue	5,363	4,255,720	-	-	1,471,654	9,196
Profit/(Loss) For The Financial Year	536	(1,127,674)	(19,090)	(15,018)	(128,877)	(613,813)
Total Comprehensive Income/(Loss)	536	(1,127,674)	(26,757)	(15,018)	(128,877)	(613,813)
SUMMARISED CASH FLOW INFORMATION						
Net Cash From/(Used In) Operating Activities	104,051	89,591	(18,332)	(14,464)	(536,673)	(612,474)
Net Cash From/(Used In) Investing Activities	26,530	(13,718)	-	-	(61,648)	(14,712)
Net Cash (Used In)/ From Financing Activities	(166,891)	172,474	-	9,853	593,207	627,801
Net (Decrease)/ Increase In Cash And Cash Equivalents	(36,310)	248,347	(18,332)	(4,611)	(5,114)	615

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES (continued)

(e) *Summarised Financial Information Of Non-Controlling Interests* (continued)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have NCI are as follows (continued) :

	SPRING REACH DISTRIBUTION SDN. BHD.	PRIVATEL SDN. BHD.	PRIVATEL (SINGAPORE) PTE. LTD.	PRIVARAIL SDN. BHD.	PRIVASIA IOT SDN. BHD.	FINANSHERE SDN. BHD.
	RM	RM	RM	RM	RM	RM
2020						
SUMMARISED STATEMENTS OF FINANCIAL POSITION						
Non-Current Assets	20	291,895	1,206	2	10,043	-
Current Assets	2,940,177	6,445,448	23,280	153,245	173,456	100
Non-Current Liabilities	-	(6,450)	-	-	-	-
Current Liabilities	(4,647,362)	(3,409,034)	(606,084)	(5,413)	(1,069,565)	(32,951)
Net (Liabilities)/Assets	(1,707,165)	3,321,859	(581,598)	147,834	(886,066)	(32,851)
Loans That Are Part Of Investment	-	(3,867,235)	-	-	(192,914)	-
	(1,707,165)	(545,376)	(581,598)	147,834	(1,078,980)	(32,851)
SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME						
Revenue	325,258	6,118,353	46,264	-	1,754,326	-
Loss For The Financial Year	(1,884)	(1,255,573)	(12,181)	(14,944)	(288,037)	(32,951)
Total Comprehensive Loss	(1,884)	(1,255,573)	(14,312)	(14,944)	(288,037)	(32,951)
SUMMARISED CASH FLOW INFORMATION						
Net Cash From/(Used In) Operating Activities	11,672	(435,187)	119,994	(13,903)	204,931	(32,991)
Net Cash From/(Used In) Investing Activities	-	544,640	-	(36,997)	(5,428)	-
Net Cash From/(Used In) Financing Activities	5,755	987,192	(127,691)	475	(234,968)	33,051
Net Increase/(Decrease) In Cash And Cash Equivalents	17,427	1,096,645	(7,697)	(50,425)	(35,465)	60

8. INVESTMENT IN SUBSIDIARIES (continued)

(f) Acquisition Of Additional Interest In Subsidiaries

THE COMPANY

<u>2021</u>

(i) On 18 March 2021, Privarail Sdn. Bhd. acquired additional ordinary shares in Privasia IOT Sdn. Bhd. for a consideration of RM141,483, satisfied by the way of capitalisation of intercompany loan payable by Privasia IOT Sdn. Bhd. to Privarail Sdn. Bhd.. Privarail Sdn. Bhd.'s effective ownership in Privasia IOT Sdn. Bhd. remains the same as a result of the additional shares purchased.

(ii) On 30 November 2021, the Company incorporated a wholly-owned subsidiary, Digital Medtech Solutions Sdn. Bhd., by way of issuance of 2 ordinary shares of RM1 each for a total consideration of RM2.

(iii) On 20 December 2021, Finanshere Sdn. Bhd. had allotted 111,220 ordinary shares of RM1 each fully paid on application and allotment. Out of the 111,220 ordinary shares, 66,732 ordinary shares were subscribed by the Company for a consideration of RM66,732, satisfied by the way of capitalisation of intercompany loan payable by Finanshere Sdn. Bhd. to the Company. The Company's effective ownership in Finanshere Sdn. Bhd. remains the same as a result of the additional shares purchased.

<u>2020</u>

(i) On 12 October 2020, the Company acquired 300,000 ordinary shares representing 100% of issued and paid up capital of Privaports Sdn. Bhd. by way of capitalising the amount owing by the subsidiary, Privaports amounting to RM300,000. The Company's effective ownership in Privaports Sdn. Bhd. remains the same as a result of the additional shares purchased.

(ii) On 10 December 2020, the Company acquired a 60% owned equity shares of Finanshere Sdn. Bhd. for a cash consideration of RM60. The remaining 40% equity interest are held by a corporation.

9. INVESTMENT IN ASSOCIATES

	GROUP	
	2021 RM	2020 RM
Unquoted Shares, At Cost	68,780	30
Additional Investment During The Year	-	68,750
	68,780	68,780
	(68,780)	(30)
Share Of Post Acquisition Reserves	**-**	**68,750**

(a) There is no quoted market price available for the associates as they are private companies.

(b) Details of the associates which have principal place of business and are all incorporated in Malaysia are as follows:

	OWNERSHIP INTEREST		
NAME OF COMPANY	2021 %	2020 %	PRINCIPAL ACTIVITIES
Infocrats Sdn. Bhd.	30	30	Provision of systems development in computer software solutions and packages
Mapri Sdn. Bhd.*	25	25	Provision of satellite services in oil and gas market, participating in aerospace business and manufacturing satelite

On 27 October 2020, the Company acquired 68,750 ordinary shares representing 25% of issued and paid up capital of Mapri Sdn. Bhd. for a cash consideration of RM68,750.

9. INVESTMENT IN ASSOCIATES (continued)

(c) *The summarised financial information of the Group's associates are as follows:*

	INFOCRATS SDN. BHD. RM	MAPRI SDN. BHD. RM	TOTAL RM
GROUP			
2021			
Assets And Liabilities			
Current Assets	-	18,273	18,273
Current Liabilities	(61,021)	(923,801)	(984,822)
Net Liabilities	(61,021)	(905,528)	(966,549)
Results:			
Loss For The Financial Year, Representing Total Comprehensive Loss For The Financial Year	(7,930)	(615,517)	(623,447)
2020			
Assets And Liabilities			
Current Assets	-	166,041	166,041
Current Liabilities	(53,093)	(8,266)	(61,359)
Net (Liabilities)/Assets	(53,093)	157,775	104,682
Results:			
Loss For The Financial Year, Representing Total Comprehensive Loss For The Financial Year	(11,487)	(117,225)	(128,712)

9. INVESTMENT IN ASSOCIATES (continued)

(d) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:

	INFOCRATS SDN. BHD. RM	MAPRI SDN. BHD. RM	TOTAL RM
GROUP			
2021			
Share Of Net Assets At The Acquisition Date	30	68,750	68,780
Share Of Post-Acquisition Losses	(30)	(68,750)	(68,780)
Carrying Amount In The Consolidated Statement Of Financial Position	-	-	-
Group's Share Of Results	(2,379)	(153,879)	(156,258)
2020			
Share Of Net Assets At The Acquisition Date	30	68,750	68,780
Share Of Post-Acquisition Losses	(30)	-	(30)
Carrying Amount In The Consolidated Statement Of Financial Position	-	68,750	68,750
Group's Share Of Results	(3,446)	(29,306)	(32,752)

The Group's share of accumulated losses in the associates is restricted to the Group's cost of investment in the associates. Accordingly, the Group has excluded its current year's share of losses of the associates amounting to RM87,508 (2020: RM32,752) from its financial statements.

As at 31 December 2021, the cumulative unrecognised share of losses of the associates are RM129,614 (2020: RM42,106).

10. DEFERRED TAX ASSETS / (LIABILITIES)

	GROUP	
	2021 RM	2020 RM
At 1 January	(803,928)	(742,220)
Recognised In Profit Or Loss (Note 22)	1,103,928	(61,708)
At 31 December	300,000	(803,928)

Presented after appropriate offsetting as follows:

	GROUP	
	2021 RM	2020 RM
Deferred Tax Assets	300,000	300,000
Deferred Tax Liabilities	-	(1,103,928)
At 31 December	300,000	(803,928)

This is in respect of estimated deferred tax assets/(liabilities) arising from temporary differences as follows:

	GROUP	
	2021 RM	2020 RM
DEFERRED TAX ASSETS		
Unused Tax Losses	300,000	300,000
DEFERRED TAX LIABILITIES		
Differences Between Carrying Amounts Of Property, Plant And Equipment And Their Tax Base	-	(1,103,928)
	300,000	(803,928)

9. DEFERRED TAX ASSETS / (LIABILITIES) (continued)

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Temporary Differences	3,888,651	3,815,923	-	-
Unused Tax Losses	49,111,956	46,991,659	2,139,543	1,400,103
Unabsorbed Capital Allowance	6,638,647	7,105,627	-	-
	59,639,254	57,913,209	2,139,543	1,400,103

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

The unused tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
2028	38,060,250	38,083,212	1,202,740	1,202,740
2029	4,820,995	4,820,995	109,592	109,592
2030	4,087,452	4,087,452	87,771	87,771
2031	2,143,259	-	739,440	-
	49,111,956	46,991,659	2,139,543	1,400,103

11. INVENTORIES

	GROUP	
	2021 RM	2020 RM
AT LOWER OF COST AND NET REALISABLE VALUE		
Consumable And Trading Goods	477,889	469,350

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM598,958 (2020: RM299,755).

(b) The cost of inventories written off of the Group recognised as an expense in cost of sales was RM2,706 (2020: as an expense in cost of sales and other expenses were RM1,835 and RM622 respectively).

(c) During the financial year, the Group reversed the previous inventories written down value of RM11,848 (2020: RM1,350). The amount of reversal was included in other expenses.

12. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
CURRENT TRADE					
Trade Receivables					
- Third Parties		10,780,575	10,888,560	-	-
- Subsidiaries		-	-	6,437,985	8,973,523
		10,780,575	10,888,560	6,437,985	8,973,523
Less: Impairment Losses For:					
- Third Parties		(3,540,642)	(3,855,066)	-	-
- Subsidiaries		-	-	(161,593)	(337,948)
		(3,540,642)	(3,855,066)	(161,593)	(337,948)
Total Trade Receivables	(a)	7,239,933	7,033,494	6,276,392	8,635,575
NON-TRADE					
Amount Owing By Subsidiaries	(b)	-	-	8,039,426	6,215,990
Amount Owing By An Associate	(b)	57,431	49,802	-	-
Third Parties		1,899,044	859,691	-	-
Deposits		1,432,607	1,367,990	2,000	2,000
Prepayments		1,287,426	975,477	22,243	1,000
		4,676,508	3,252,960	8,063,669	6,218,990
Less: Impairment Losses For:					
- Third Parties	(c)	(8,000)	(8,000)	-	-
- Subsidiaries	(c)	-	-	(4,760,004)	(5,068,302)
- An Associate	(c)	(57,431)	(49,802)	-	-
		(65,431)	(57,802)	(4,760,004)	(5,068,302)
Total Other Receivables		4,611,077	3,195,158	3,303,665	1,150,688
Total Trade And Other Receivables		11,851,010	10,228,652	9,580,057	9,786,263

12. TRADE AND OTHER RECEIVABLES (continued)

The foreign currency exposure profile of trade and other receivables of the Group is as follows:

	GROUP	
	2021 RM	2020 RM
United States Dollar	-	23,245

(a) The Group's and the Company's normal trade credit term extended to customers ranging from 7 to 90 days (2020: 7 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Receivables That Are Impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 January	3,855,066	5,229,269	337,948	292,713
Charge For The Financial Year				
- Individually Assessed	47,455	58,017	-	45,235
Reversal Of Impairment Losses	(361,879)	(1,432,220)	(176,355)	-
At 31 December	3,540,642	3,855,066	161,593	337,948

Trade receivables that are individually determined to be credit-impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 28(i).

(b) Amounts owing by subsidiaries and an associate are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

(c) The Group's and the Company's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 January	57,802	8,000	5,068,302	4,561,710
Charge For The Financial Year				
- Individually Assessed	7,629	49,802	-	596,984
Reversal Of Impairment Losses	-	-	(167,810)	(90,392)
Written Off	-	-	(140,488)	-
At 31 December	65,431	57,802	4,760,004	5,068,302

13. CONTRACT ASSETS / (LIABILITIES)

	GROUP	
	2021 RM	2020 RM
Contract Assets Relating To Services Contract	5,709,039	4,920,396
Contract Liabilities Relating To Services Contract	(1,309,378)	(556,302)

(a) *Significant Changes In Contract Balances*

	2021		2020	
	CONTRACT ASSETS INCREASE/ (DECREASE)	CONTRACT LIABILITIES (INCREASE)/ DECREASE	CONTRACT ASSETS INCREASE/ (DECREASE)	CONTRACT LIABILITIES (INCREASE)/ DECREASE
	RM	RM	RM	RM
GROUP				
Revenue Recognised That Was Included In Contract Liability At The Beginning Of The Financial Year				
Increase Due To Cash Received From Customers, But Revenue Not Recognised	-	556,302	-	851,571
Increase Due To Cash Received From Customers, But Revenue Not Recognised	-	(1,309,378)	-	(556,302)
Increase Due To Revenue Recognised For Unbilled Goods Or Services Transferred To Customers	5,709,039	-	4,920,396	-
Transfers From Contract Assets Recognised At The Beginning Of The Period To Receivables	(4,920,396)	-	(4,697,862)	-

(b) *Revenue Recognised In Relation To Contract Balances*

	GROUP	
	2021	2020
	RM	RM
Revenue Recognised That Was Included In Contract Liability At The Beginning Of The Financial Year	556,302	851,571

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of contracts when percentage of completion increases.

14. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash And Bank Balances	1,801,476	3,777,325	5,303	81,006
Deposits Placed With Licensed Banks	8,528,074	12,456,041	-	1,300,000
Cash And Cash Equivalents As Reported In The Statements Of Financial Position	10,329,550	16,233,366	5,303	1,381,006
Less: - Bank Overdrafts (Note 16)	(2,782,733)	(1,824,467)	-	-
- Deposits Pledged As Security	(3,367,383)	(3,298,003)	-	-
- Deposits Placed With Licensed Banks With Maturity Period More Than 3 Months	-	(146,023)	-	-
Cash And Cash Equivalents As Reported In The Statements Of Cash Flows	4,179,434	(10,964,873)	5,303	1,381,006

Deposits placed with licensed banks of the Group and of the Company bear interest at rates ranging from 1.30% to 1.95% (2020: 1.30% to 3.10%) and 1.30% to 1.55% (2020: 1.30% - 1.40%) respectively per annum with maturity period ranging from 1 month to 12 months.

Included in the deposits placed with licensed banks of the Group is an amount of RM3,367,383 (2020: RM3,298,003) pledged as security for bank overdrafts and trade facilities granted to a subsidiary as disclosed in Note 16.

15. SHARE CAPITAL

	GROUP AND COMPANY			
	NUMBER OF ORDINARY SHARES		AMOUNTS	
	2021	2020	2021	2020
	RM	RM	RM	RM
ISSUED AND FULLY PAID UP:				
At 1 January	614,020,020	558,200,020	62,630,042	55,820,002
Issued During The Financial Year	-	55,820,000	-	6,810,040
At 31 December	614,020,020	614,020,020	62,630,042	62,630,042

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

In the previous financial year, the Company issued 27,910,000 new ordinary shares at a price of RM0.123 per ordinary share for a total cash consideration of RM3,432,930 via first tranche of private placement. Subsequently, at second tranche of private placement, the Company issued 27,910,000 new ordinary shares at a price of RM0.121 per ordinary share for a total cash consideration of RM3,377,110.

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

16. LOANS AND BORROWINGS

		GROUP	
		2021	2020
	NOTE	RM	RM
NON-CURRENT:			
Term Loan II	(a)	5,863,961	7,321,615
Term Loan III	(a)	-	1,231,533
Lease Liabilities	(b)	11,589	73,789
		5,875,550	8,626,937
CURRENT:			
Term Loan I	(a)	-	2,460,238
Term Loan II	(a)	657,196	586,099
Term Loan III	(a)	454,601	716,311
Lease Liabilities	(b)	62,201	1,072,043
Trade Facilities	(c)	2,677,498	1,407,924
Bank Overdrafts	(c)	2,782,733	1,824,467
		6,634,229	8,067,082
TOTAL LOANS AND BORROWINGS:			
Term Loans	(a)	6,975,758	12,315,796
Lease Liabilities	(b)	73,790	1,145,832
Trade Facilities	(c)	2,677,498	1,407,924
Bank Overdrafts	(c)	2,782,733	1,824,467
		12,509,779	16,694,019

(a) Term Loans

Term loans I, II and III of a subsidiary bear interest at rates of 5.30%, 3.80% and 5.90% (2020: 4.30%, 3.80% and 4.40%) per annum respectively and are repayable over 5 years, 15 years and 5 years respectively commencing from the day of first drawdown and are secured and supported as follows:

(i) Legal charge over the buildings of a subsidiary as disclosed in Note 5;
(ii) Legal charge over the investment property of a subsidiary as disclosed in Note 6;
(iii) Deed of Assignment over all contract proceeds awarded by major customer and its related companies;
(iv) Debenture by way of a fixed and floating charge over the specific assets of a subsidiary;
(v) Deposits placed with licensed banks;
(vi) Letter of negative pledge;
(vii) Corporate guarantee of the Company; and
(viii) Joint and several guarantee of two directors.

Term loans I, II and III require the subsidiary to maintain a debt to equity ratio of not exceeding 0.8 (2020: 1.25).
Term loan I was fully settled during the financial year.

16. LOANS AND BORROWINGS (continued)

(b) Lease Liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	GROUP	
	2021	2020
	RM	RM
MINIMUM LEASE PAYMENTS:		
Not Later Than One Year	63,949	1,091,760
Later Than One Year And Not Later Than 5 Years	11,640	75,590
	75,589	1,167,350
Less: Future Finance Charges	(1,799)	(21,518)
Present Value Of Minimum Lease Payments	73,790	1,145,832
PRESENT VALUE OF MINIMUM LEASE PAYMENTS:		
Not Later Than One Year	62,201	1,072,043
Later Than One Year And Not Later Than 5 Years	11,589	73,789
	73,790	1,145,832
Less: Amount Due Within 12 Months	(62,201)	(1,072,043)
Amount Due After 12 Months	11,589	73,789

Certain computer equipment and motor vehicle of the Group as disclosed in Note 5 are pledged for leases. Such leases do not have terms of renewal which would give the effective interest rate implicit in the leases ranging from 3.85% to 5.31% (2020: 3.83% to 6.42%) per annum.

(c) Bank Overdrafts And Trade Facilities

The bank overdrafts and trade facilities of the Group are secured by way of:

(i) Legal charge over the buildings of a subsidiary as disclosed in Note 5;
(ii) Legal charge over the investment property of a subsidiary as disclosed in Note 6;
(iii) Deed of Assignment over all contract proceeds awarded by major customer and its related companies;
(iv) Debenture by way of a fixed and floating charge over the specific assets of a subsidiary;
(v) Deposits placed with licensed banks;
(vi) Letter of negative pledge;
(vii) Corporate guarantee of the Company; and
(viii) Joint and several guarantee of two directors.

17. TRADE AND OTHER PAYABLES

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
CURRENT TRADE					
- Third Parties	(a)	2,905,425	4,036,000	-	-
NON-TRADE					
Third Parties		1,341,655	1,319,772	124,047	32,347
GST Payable		51,886	51,897	-	-
SST Payable		34,775	13,087	-	-
Amount Owing To Subsidiaries	(b)	-	-	33,119,073	33,566,511
Amount Owing To An Associate	(b)	-	68,750	-	-
Deposits And Accruals		4,535,973	6,933,288	118,972	96,000
		5,964,289	8,386,794	33,362,092	33,694,858
Total Trade And Other Payables		8,869,714	12,422,794	33,362,092	33,694,858

The foreign currency exposure profile of trade and other payables of the Group is as follows:

	GROUP	
	2021	2020
	RM	RM
United States Dollar	1,082,640	3,617,403
Singapore Dollar	16,516	16,300
	1,099,156	3,633,703

(a) The normal trade credit term granted by the trade creditors to the Group ranging from 30 to 60 days (2020: 30 to 60 days).

(b) The amounts owing to subsidiaries and an associate are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

18. REVENUE

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
TIMING OF REVENUE RECOGNITION:				
At A Point In Time				
Sales Of Goods	1,047,989	3,595,415	-	-
Over Time				
Information Technology Services	32,295,927	29,529,267	-	-
Information Communication Technology Services	4,270,310	6,154,717	-	-
Management Fees	-	-	-	4,056,827
Satellite-Based Network Services	2,961,937	2,273,849	-	-
Over Source				
Dividend Income	-	-	-	2,000,000
	40,576,163	41,553,248	-	6,056,827

19. OTHER INCOME

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest Income	125,184	181,448	8,782	4,827
Sales Of Contracts	1,339,399	-	-	-
Discount Received	25,583	-	-	-
Rental Income	71,125	79,970	-	-
Gain On Disposal Of:				
- Intangible Assets	39,415	-	-	-
- Property, Plant And Equipment	550,357	1,814	-	-
Miscellaneous	199,128	165,926	-	-
	2,350,191	429,158	8,782	4,827

NOTES TO THE FINANCIAL STATEMENTS

20. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Amortisation Of Intangible Assets	1,043,990	659,683	-	-
Auditors' Remuneration:				
- Statutory Audit				
- Current Year	179,903	177,211	48,000	48,000
- Prior Year	4,969	-	-	-
- Non-Statutory Audit	76,400	64,600	75,400	64,600
Bad Debts Written Off	14,003	1,148,439	-	-
Depreciation Of Investment Property	26,596	26,596	-	-
Depreciation Of Property, Plant And Equipment	5,671,537	7,208,655	2,639	1,583
Employee Benefits Expense (Note 21)	13,805,569	13,510,721	809,993	4,157,924
Expense Relating To Short-Term Lease	19,966	-	-	-
Expense Relating To Lease Of Low Value Assets	20,847	17,998	95	-
Impairment Loss On:				
- Trade Receivables	47,455	58,017	-	-
- Amount Owing By Subsidiaries (Trade)	-	-	-	45,235
- Amount Owing By Subsidiaries (Non-Trade)	-	-	-	596,984
- Amount Owing By An Associate (Non-Trade)	7,629	49,802	-	-
- Goodwill	-	3,328,000	-	-
- Investment In Subsidiaries	-	-	-	15,150,000
- Investment Property	315,000	-	-	-
- Quasi Loan	-	-	-	13,997,194

20. LOSS BEFORE TAX (continued)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax: (continued)

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Intangible Asset Written Off	1	3,573	-	-
Interest Expenses:				
Trade Facilities And Bank Overdrafts	260,901	262,667	-	-
- Lease Liabilties	19,751	90,594	-	-
- Term Loans	328,380	609,416	-	-
Inventories Written Off	2,706	2,457	-	-
Loss On Disposal Of Property, Plant And Equipment	32,050	-	-	-
Loss/(Gain) On Foreign Exchange				
- Realised	23,550	45,210	2	-
- Unrealised	11,810	(11,588)	-	-
Property, Plant And Equipment Written Off	892	33,881	-	-
Reversal Of Impairment Loss On:				
- Trade Receivables	(361,879)	(1,432,220)	-	-
- Amount Owing By Subsidiaries (Trade)	-	-	(874)	-
- Amount Owing By Subsidiaries (Non Trade)	-	-	(167,810)	(90,392)
Reversal Of Inventories Written Down	(11,848)	(1,350)	-	-
Share Of Result Of An Associate, Net Of Tax	68,750	-	-	-

21. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Salaries And Wages	9,322,223	9,333,436	344,625	3,187,729
Defined Contribution Plans	1,038,327	925,310	44,590	394,471
Other Staff Related Expenses	1,036,178	950,520	40,287	273,724
Directors' Remuneration (Note (i))	2,408,841	2,301,455	380,491	302,000
	13,805,569	13,510,721	809,993	4,157,924

(i) The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
DIRECTORS OF THE COMPANY				
Executive Directors				
- Fees	96,000	96,000	96,000	96,000
- Other Emoluments	1,275,572	1,269,839	17,733	12,000
	1,371,572	1,365,839	113,733	108,000
Non-Executive Directors				
- Fees	237,758	174,500	237,758	174,500
- Other Emoluments	29,000	19,500	29,000	19,500
	266,758	194,000	266,758	194,000
DIRECTORS OF THE SUBSIDIARIES				
- Fees	34,800	14,400	-	-
- Fees Waived/Reversed	-	(18,448)	-	-
- Other Emoluments	735,711	745,664	-	-
	770,511	741,616	-	-
Total Directors’ Remuneration	2,408,841	2,301,455	380,491	302,000

22. INCOME TAX (CREDIT) / EXPENSE

The major components of income tax (credit)/expense for the financial years ended 31 December 2021 and 31 December 2020 are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
STATEMENTS OF COMPREHENSIVE INCOME				
Current Income Tax:				
- Current Income Tax Charge	876,637	1,304,086	-	-
- (Over)/Under Provision In The Previous Financial Years	(173,899)	58,510	-	-
	702,738	1,362,596	-	-
Deferred Tax: (Note 10)				
- Origination Of Temporary Differences	(942,364)	(651,247)	-	-
- (Over)/Under Provision In The Previous Financial Years	(161,564)	712,955	-	-
	(1,103,928)	61,708	-	-
Income Tax (Credit)/ Expense Recognised In Profit Or Loss	(401,190)	1,424,304	-	-

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

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax (credit)/expense are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Loss Before Tax	(2,704,627)	(5,025,364)	(1,190,149)	(28,297,665)
Tax At Malaysian Statutory Income Tax Rate Of 24%	(649,110)	(1,206,087)	(285,636)	(6,791,440)
Share Of Result Of An Associate, Net Of Tax	16,500	-	-	-
Adjustments:				
- Income Not Subject To Tax	(356,793)	(1,129,159)	-	(480,000)
- Non-Deductible Expenses	509,424	1,752,286	108,170	7,250,632
- Utilisation Of Previously Unrecognised Tax Losses, Capital Allowances And Temporary Differences	(5,508)	-	-	-
- Deferred Tax Not Recognised On Unrecognised Tax Losses, Capital Allowances And Temporary Differences	419,760	1,235,799	177,466	20,808
- (Over)/Under Provision In The Previous Financial Years				
- Current Tax	(173,899)	58,510	-	-
- Deferred Tax	(161,564)	712,955	-	-
Income Tax (Credit)/Expense	(401,190)	1,424,304	-	-

23. LOSS PER SHARE

(a) Basic loss per share is based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	GROUP	
	2021	2020
	RM	RM
Loss Attributable To Owners Of The Company (RM)	(1,971,572)	(6,311,832)
Weighted Average Number Of Ordinary Shares For Basic Loss Per Share (Units)	614,020,020	614,020,020
Basic Loss Per Ordinary Share (Sen)	(0.32)	(1.03)

(b) The diluted loss per share of the Group for the financial years ended 31 December 2021 and 31 December 2020 are the same as the basic loss per share of the Group as the Group has no dilutive potential ordinary shares.

24. GUARANTEES

(a) Financial Guarantees

The corporate guarantees, guaranteed by the Company for banking facilities granted to a subsidiary is as follows:

	COMPANY	
	2021	2020
	RM	RM
Corporate Guarantees For Banking Facilities Granted To A Subsidiary	12,435,989	15,548,187

(b) Bank Guarantees

The bank guarantees, issued to third parties are as follows:

	GROUP	
	2021	2020
	RM	RM
Bank Guarantees Issued To Third Parties	816,382	3,114,696

25. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

The four reportable operating segments are as follows:

Segments	Product And Services
Information Technology ("IT")	Comprise IT infrastructure outsourcing, consultancy and systems integration and procurement management.
Information And Communications Technology ("ICT")	Provision of wireless broadband infrastructure, comprehensive mobile and wireless communications consultancy, and systems development for ICT and mobile solutions providers and enterprises.
Satellite-Based Network Services ("SAT"	The SAT segment provides a broad spectrum of satellite-based network solutions, such as managed network, high speed internet, value-added broadband applications and satellite IP Virtual Private Network for the commercial sector and general public.
Investment Holding	Investment holding and provision of management services.

Performance is measured based on segment results, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment Assets And Liabilities
The total segment assets and liabilities are measured based on all assets (including goodwill) and liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

25. SEGMENT INFORMATION (continued)

2021	NOTE	IT RM	ICT RM
REVENUE:			
Revenue From External Customers		33,286,652	4,270,310
Inter-Segment Revenue	(a)	868,616	10,763
Total Revenue		34,155,268	4,281,073
RESULTS:			
Included In The Measure Of Segment (Loss)/Profit Are:			
Amortisation Of Intangible Assets		1,015,203	746
Bad Debts Written Off		-	-
Depreciation Of Investment Property		26,596	-
Depreciation Of Property, Plant And Equipment		5,161,907	214,743
Employee Benefits Expense		10,304,511	2,138,602
Gain On Disposal Of Property, Plant And Equipment		(549,583)	(774)
Gain On Disposal Of Intangible Assets		(39,415)	-
Impairment Loss On Trade Receivables		19,523	-
Impairment Loss On Amount Owing By A Subsidiary (Non-Trade)		8,521	-
Impairment Loss On Amount Owing By An Associate		-	7,629
Impairment Loss On Investment Property		315,000	-
Intangibles Assets Written Off		-	1
Interest Expense		565,345	17,162
Interest Income		(114,617)	(321)
Inventories Written Off		2,706	-
Property, Plant And Equipment Written Off		19	10
Expense Relating To Short-Term Lease		40,480	-
Expense Relating To Lease Of Low Value Assets		9,257	10,621
Rental Income		(220,250)	-
Reversal Of Impairment Loss On Amount Owing By Subsidiaries			
- Trade		-	-
- Non-Trade		-	(358,399)
Reversal Of Impairment Loss On Trade Receivables		(39,688)	-
Reversal Of Inventories Written Down		(11,848)	-
Segment (Loss)/Profit		(612,942)	(889,689)
Income Tax Credit		401,190	-
(Loss)/Profit For The Financial Year		(211,752)	(889,689)
Segment Assets		77,536,251	13,029,929
Segment Liabilities		28,193,916	11,161,082

SAT RM	INVESTMENT HOLDING RM	ADJUSTMENTS AND ELIMINATIONS RM	TOTAL RM
3,019,201	-	-	40,576,163
1,850	-	(881,229)	-
3,021,051	-	(881,229)	40,576,163
28,041	-	-	1,043,990
14,003	-	-	14,003
-	-	-	26,596
393,309	2,639	(101,061)	5,671,537
552,463	809,993	-	13,805,569
32,050	-	-	(518,307)
-	-	-	(39,415)
27,932	-	-	47,455
-	-	(8,521)	-
-	-	-	7,629
-	-	-	315,000
-	-	-	1
29,697	-	(3,172)	609,032
(1,464)	(8,782)	-	(125,184)
-	-	-	2,706
863	-	-	892
19,966	-	(40,480)	19,966
874	95	-	20,847
-	-	149,125	(71,125)
-	(874)	874	-
-	(167,810)	526,209	-
(322,191)	-	-	(361,879)
-	-	-	(11,848)
999,793	(1,190,149)	(1,011,640)	(2,704,627)
-	-	-	401,190
999,793	(1,190,149)	(1,011,640)	(2,303,437)
1,785,747	52,534,759	(62,015,838)	82,870,848
1,703,675	33,362,092	(51,555,160)	22,865,605

25. SEGMENT INFORMATION (continued)

2020	NOTE	IT RM	ICT RM
REVENUE:			
Revenue From External Customers		32,801,730	6,477,669
Inter-Segment Revenue	(a)	1,916,128	12,206
Total Revenue		34,717,858	6,489,875
RESULTS:			
Included In The Measure Of Segment (Loss)/Profit Are:			
Amortisation Of Intangible Assets		631,221	706
Bad Debts Written Off		-	256,977
Depreciation Of Investment Property		26,596	-
Depreciation Of Property, Plant And Equipment		5,858,137	336,802
Employee Benefits Expense		9,786,725	2,822,772
Gain On Disposal Of Property, Plant And Equipment		(1,401)	-
Impairment Loss On Goodwill		-	-
Impairment Loss On Trade Receivables		8,132	4,419
Impairment Loss On Amount Owing By An Associate		-	49,802
Impairment Loss On Investment In Subsidiaries		-	-
Impairment Loss On Quasi Loan		-	-
Intangibles Assets Written Off		3,573	-
Interest Expense		801,801	122,409
Interest Income		(154,815)	(14,199)
Inventories Written Off		1,835	622
Property, Plant And Equipment Written Off		33,879	2
Expense Relating To Lease Of Low Value Assets		6,900	9,718
Rental Income		(199,668)	-
Reversal Of Impairment Loss On Trade Receivables		(38,133)	(285,134)
Reversal Of Impairment Loss On Amount Owing By Subsidiaries (Non-Trade)		-	(16,370)
Reversal Of Inventories Written Down		-	(1,350)
Segment (Loss)/Profit		3,385,889	(1,639,385)
Income Tax (Expense)/Credit		(1,435,279)	10,975
Profit /(Loss) For The Financial Year		1,950,610	(1,628,410)
Segment Assets		84,245,048	14,600,249
Segment Liabilities		34,934,337	11,834,045

SAT RM	INVESTMENT HOLDING RM	ADJUSTMENTS AND ELIMINATIONS RM	TOTAL RM
2,273,849	-	-	41,553,248
116,850	6,056,827	(8,102,011)	-
2,390,699	6,056,827	(8,102,011)	41,553,248
27,756	-	-	659,683
6,360	-	885,102	1,148,439
-	-	-	26,596
1,122,808	1,583	(110,675)	7,208,655
599,224	302,000	-	13,510,721
(413)	-	-	(1,814)
-	-	3,328,000	3,328,000
58,017	642,219	(654,770)	58,017
-	-	-	49,802
-	15,150,000	(15,150,000)	-
-	13,997,194	(13,997,194)	-
-	-	-	3,573
47,841	-	(9,374)	962,677
(7,607)	(4,827)	-	(181,448)
-	-	-	2,457
-	-	-	33,881
1,380	-	-	17,998
-	-	119,698	(79,970)
(223,851)	-	(885,102)	(1,432,220)
-	(90,392)	106,762	-
-	-	-	(1,350)
(2,808,806)	(28,297,665)	24,334,603	(5,025,364)
-	-	-	(1,424,304)
(2,808,806)	(28,297,665)	24,334,603	(6,449,668)
2,826,672	54,057,674	(62,257,430)	93,472,213
3,813,143	33,694,858	(53,076,030)	31,200,353

25. SEGMENT INFORMATION (continued)

(a) Inter-segment revenue are eliminated on consolidation.

(b) The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

(c) For IT segment, revenue from two customers (2020: one customer) represented approximately RM28,458,000 (2020: RM27,466,000) for the Group's total revenue.

26. RELATED PARTIES

(a) Identity Of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Entities in which directors have substantial financial interests; and
(iv) Key management personnel of the Group and of the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant Related Party Transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	GROUP	
	2021	2020
	RM	RM
SUBSIDIARIES		
Dividend Income Received		
- PRIVASIA Sdn Bhd	-	2,000,000
Management Fee Received/Receivable		
- Privacom Sdn. Bhd.	-	12,709
- Privaports Sdn. Bhd.	-	214,049
- Privanet Sdn. Bhd.	-	56,761
- Privarail Sdn. Bhd.	-	3,829
- Privasat Sdn. Bhd.	-	475,560
- Privatel Sdn. Bhd.	-	429,152
- Privatel (Singapore) Pte. Ltd.	-	13,156
- PRIVASIA Iot Sdn. Bhd.	-	158,050
- Spring Reach Distribution Sdn. Bhd.	-	12,696
- PRIVASIA Sabah Sdn. Bhd.	-	2,953
- PRIVASIA Sdn. Bhd.	-	2,677,912

26. RELATED PARTIES (continued)

(b) *Significant Related Party Transactions (continued)*

	GROUP 2021 RM	GROUP 2020 RM
SUBSIDIARIES (continued)		
Secondment Fee Paid/Payable		
- PRIVASIA Sdn. Bhd.	-	(3,855,924)
Rental Of Software Paid/Payable		
- PRIVASIA Sdn. Bhd.	(3,142)	(3,051)

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 12 and 17.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to a subsidiary as disclosed in Note 28(i).

(c) *Compensation Of Key Management Personnel*

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Directors' Remunerations	2,408,841	2,301,455	380,491	302,000
Other Key Management Personnel:				
Short-Term Employee Benefits	498,907	385,145	-	-
- Defined Contribution Plans	62,192	47,658	-	-

27. FINANCIAL INSTRUMENTS

(a) *Categories Of Financial Instruments*

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	CARRYING AMOUNT RM	AMORTISED COST RM
AT 31 DECEMBER 2021		
FINANCIAL ASSETS		
GROUP		
Trade And Other Receivables, Net Of Prepayments	10,563,584	10,563,584
Deposits, Cash And Bank Balances	10,329,550	10,329,550
	20,893,134	20,893,134
COMPANY		
Trade And Other Receivables, Net Of Prepayments	9,557,814	9,557,814
Deposits, Cash And Bank Balances	5,303	5,303
	9,563,117	9,563,117
FINANCIAL LIABILITIES		
GROUP		
Trade And Other Payables, Net Of GST And SST Payable	(8,783,053)	(8,783,053)
Loans And Borrowings	(12,509,779)	(12,509,779)
	(21,292,832)	(21,292,832)
COMPANY		
Trade And Other Payables	(33,362,092)	(33,362,092)

27. FINANCIAL INSTRUMENTS (continued)

(a) Categories Of Financial Instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (continued):

	CARRYING AMOUNT RM	AMORTISED COST RM
AT 31 DECEMBER 2020		
FINANCIAL ASSETS		
GROUP		
Trade And Other Receivables, Net Of Prepayments	9,253,175	9,253,175
Deposits, Cash And Bank Balances	16,233,366	16,233,366
	25,486,541	25,486,541
COMPANY		
Trade And Other Receivables, Net Of Prepayments	9,785,263	9,785,263
Deposits, Cash And Bank Balances	1,381,006	1,381,006
	11,166,269	11,166,269
FINANCIAL LIABILITIES		
GROUP		
Trade And Other Payables, Net Of GST And SST Payable	(12,357,810)	(12,357,810)
Loans And Borrowings	(16,694,019)	(16,694,019)
	(29,051,829)	(29,051,829)
COMPANY		
Trade And Other Payables	(33,694,858)	(33,694,858)

(b) Fair Value Measurement

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

There have been no transfers between Level 1 and Level 2 during the financial years ended 31 December 2021 and 31 December 2020.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are exercised by the Executive Directors and the Chief Financial Officer. The Audit and Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:

(i) Credit Risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade Receivables And Contract Assets

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

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

<u>Credit Risk Concentration Profile</u>
At the end of the reporting period, 61% (2020: 59%) of the Group's trade receivables was due from two (2020: three) major customers.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) *Credit Risk (continued)*

Trade Receivables And Contract Assets (continued)

The information about the credit risk exposure on the Group's and Company's trade receivables and contract assets using provision matrix are as follows:

	EXPECTED CREDIT LOSS RATE	GROSS CARRYING AMOUNT	EXPECTED CREDIT LOSSES	NET BALANCE
	RM	RM	RM	RM
GROUP				
AT 31 DECEMBER 2021				
CONTRACT ASSETS	0%	5,709,039	-	5,709,039
Trade Receivables				
Current	0%	3,019,811	-	3,019,811
1 To 30 Days Past Due	0%	2,375,290	-	2,375,290
31 To 60 Days Past Due	0%	397,543	-	397,543
61 To 90 Days Past Due	0%	45,132	-	45,132
More Than 91 Days Past Due	0%	1,402,158	-	1,402,158
Credit-Impaired				
Individually Impaired				
- Trade Receivables		3,540,642	3,540,642	-
		16,489,615	3,540,642	12,948,973
AT 31 DECEMBER 2020				
CONTRACT ASSETS	0%	4,920,396	-	4,920,396
Trade Receivables				
Current	0%	2,751,258	-	2,751,258
1 To 30 Days Past Due	0%	1,226,599	-	1,226,599
31 To 60 Days Past Due	0%	618,408	-	618,408
61 To 90 Days Past Due	0%	1,244,558	-	1,244,558
More Than 91 Days Past Due	0%	1,192,671	-	1,192,671
Credit-Impaired				
Individually Impaired				
- Trade Receivables		3,855,066	3,855,066	-
		15,808,956	3,855,066	11,953,890

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit Risk (continued)

Trade Receivables And Contract Assets (continued)

The information about the credit risk exposure on the Group's and Company's trade receivables and contract assets using provision matrix are as follows: (continued)

	EXPECTED CREDIT LOSS RATE RM	GROSS CARRYING AMOUNT RM	EXPECTED CREDIT LOSSES RM	NET BALANCE RM
COMPANY				
AT 31 DECEMBER 2021				
Trade Receivables				
More Than 91 Days Past Due	0%	6,276,392	-	6,276,392
Credit-Impaired				
Individually Impaired		161,593	161,593	-
		6,437,985	161,593	6,276,392
AT 31 DECEMBER 2020				
Trade Receivables				
Current	0%	471,474	-	471,474
1 To 30 Days Past Due	0%	283,479	-	283,479
31 To 60 Days Past Due	0%	285,906	-	285,906
61 To 90 Days Past Due	0%	1,252,726	-	1,252,726
More Than 91 Days Past Due	0%	6,341,990	-	6,341,990
Credit-Impaired				
Individually Impaired		337,948	337,948	-
		8,973,523	337,948	8,635,575

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit Risk (continued)

Other Receivables And Other Financial Assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of 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 and the Company compare 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. It considers available reasonable and supportive forward-looking information. The following indicators are incorporated, amongst others:

- internal credit rating
- 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
- 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
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets and contract assets.

Lease Receivables

The credit risk associated with lease receivables is mitigated by way of obtaining security over the leased building. 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 considers the lease receivables as low credit and any loss allowance would be negligible.

Financial Guarantees

The Company is exposed to credit risk in relation to financial guarantees given to banks in respects of banking facilities granted to a subsidiary. The Company monitors the results of the subsidiary and its repayment on an on-going basis. The maximum exposure to credit risks amounts to RM12,435,989 (2020: RM15,548,187) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 28(ii). As at the reporting date, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiary's secured borrowings.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Liquidity Risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loan and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity Analysis

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		< CONTRACTUAL	CASH	FLOWS >	
	CARRYING AMOUNT	ON DEMAND OR WITHIN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
	RM	RM	RM	RM	RM
GROUP					
AT 31 DECEMBER 2021					
Trade And Other Payables, Net Of GST And SST Payable	8,783,053	8,783,053	-	-	8,783,053
Loans And Borrowings	12,509,779	6,933,552	3,804,840	3,127,832	13,866,224
	21,292,832	15,716,605	3,804,840	3,127,832	22,649,277
AT 31 DECEMBER 2020					
Trade And Other Payables, Net Of GST And SST Payable	12,357,810	12,357,810	-	-	12,357,810
Loans And Borrowings	16,694,019	9,779,122	4,074,589	5,134,931	18,988,642
	29,051,829	22,136,932	4,074,589	5,134,931	31,346,452
COMPANY					
AT 31 DECEMBER 2021					
Trade And Other Payables	33,362,092	33,362,092	-	-	33,362,092
Financial Guarantees *	-	12,435,989	-	-	12,435,989
	33,362,092	45,798,081	-	-	45,798,081
AT 31 DECEMBER 2020					
Trade And Other Payables	33,694,858	33,694,858	-	-	33,694,858
Financial Guarantees *	-	15,548,187	-	-	15,548,187
	33,694,858	49,243,045	-	-	49,243,045

* The Company has given corporate guarantees to banks on behalf of a subsidiary for banking facilities. The potential exposure of the financial guarantees are equivalent to the amount of the banking facilities being utilised by the said subsidiary.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Foreign Currency Risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates related primarily to the Group's operating activities (when sales and purchases are denominated in a foreign currency) and the Group's net investment in a foreign subsidiary.

The Group does not hedge its foreign currency exposures. The Group ensures that the net exposure is kept to an acceptable level.

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	GROUP	
	2021	2020
	RM	RM
<u>TRADE RECEIVABLES</u>		
United States Dollar ("USD")	-	13,739
<u>OTHER RECEIVABLES</u>		
United States Dollar ("USD")	-	9,506
<u>TRADE PAYABLES</u>		
United States Dollar ("USD")	(299,431)	(817,378)
<u>OTHER PAYABLES</u>		
United States Dollar ("USD")	(783,209)	(2,800,025)
Singapore Dollar ("SGD")	(16,516)	(16,300)
	(799,725)	(2,816,325)

<u>Sensitivity Analysis For Foreign Currency Risk</u>
The Group's principal foreign currency exposure relates to United States Dollar ("USD") and Singapore Dollar ("SGD").

The following table demonstrates the sensitivity to a reasonably possible change in the USD and SGD, with all other variables held constant on the Group's total equity and loss for the financial year.

	CHANGE IN RATE	EFFECT ON EQUITY AND LOSS FOR THE FINANCIAL YEAR (RM)
GROUP		
31 DECEMBER 2021	+10%	(82,281)
- USD	-10%	82,281
	+10%	(1,255)
	-10%	1,255
31 DECEMBER 2020		
- USD	+10%	(273,156)
	-10%	273,156
- SGD	+10%	(1,239)
	-10%	1,239

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Interest Rate Risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates. The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The Group does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweighs the potential risk of interest rate fluctuation.

Sensitivity Analysis For Interest Rate Risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and loss for the financial year.

	CHANGE IN RATE	EFFECT ON EQUITY AND LOSS FOR THE FINANCIAL YEAR (RM)
GROUP		
31 DECEMBER 2021	+50	(47,257)
	-50	47,257
31 DECEMBER 2020	+50	(59,083)
	-50	59,083

29. COMMITMENTS

Operating Lease Commitments – As Lessor

The Group leases an investment property which has remaining lease term of one year (2020: two years). The undiscounted lease payment to be received is as follows:

	GROUP	
	2021	2020
	RM	RM
Not More Than One Year	111,500	111,500
Later Than One Year And Not Later Than Five Years	-	93,500
	111,500	205,000

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group and the Company monitor capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings, less deposits, cash and bank balances where total capital comprises the equity attributable to owners of the Group and of the Company. The gearing ratio at 31 December 2021 and 31 December 2020 are as follows:

		GROUP		COMPANY	
		2021	2020	2021	2020
	NOTE	RM	RM	RM	RM
Loans And Borrowings	16	12,509,779	16,694,019	-	-
Less:					
Deposits, Cash And Bank Balances	14	(10,329,550)	(16,233,366)	(5,303)	(1,381,006)
Net Debts		2,180,229	460,653	(5,303)	(1,381,006)
Total Equity		60,005,243	62,271,860	19,172,667	20,362,816
Total Net Debt Plus Equity		62,185,472	62,732,513	19,167,364	18,981,810
GEARING RATIO		4%	1%	*	*

* Not meaningful.

The Company has complied with these requirements for the financial years ended 31 December 2021 and 31 December 2020.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) *Covid-19 pandemic*

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 December 2021.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 December 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

(b) On 16 February 2021, Privanet Sdn. Bhd. a wholly-owned subsidiary had entered into a Shareholders' Agreement with Ng Sau Foong and Mr Mohamad Firhan Bin Mohd Basheer for the purpose of regulating the relationship between the shareholders in Strategos Advisory Sdn. Bhd. upon the acquisition of 600 ordinary shares, representing 60% of the total issued share capital of Strategos Advisory Sdn. Bhd., for a total consideration of RM1.

On 24 November 2021, Privanet Sdn. Bhd. entered into a Termination Agreement with Ng Sau Foong and Mr Mohamad Firhan Bin Mohd Basheer for the disposal of its 60% equity interest in Strategos Advisory Sdn. Bhd., which comprises 600 ordinary shares with a total consideration of RM1.

(c) On 18 March 2021, Privarail Sdn. Bhd. acquired additional ordinary shares in Privasia IOT Sdn. Bhd. for a consideration of RM141,483, satisfied by the way of capitalisation of intercompany loan payable by Privasia IOT Sdn. Bhd. to Privarail Sdn. Bhd.. The acquisition does not change the effective equity interest held by the Company. The acquisition has also no impact on the Group's revenue and loss for the financial year ended 31 December 2021.

(d) The Group through its fintech subsidiary, Finanshere Sdn. Bhd. has successfully completed the development of FinansHere, a Shariah compliant Supply Chain Financing platform that integrates ProcureHere's source-to-pay function. ProcureHere is the Group's existing digital procurement platform. This value-added extension will undoubtedly provide an automated invoice financing environment from its process application to its financing settlement. FinansHere leverages on Group's sturdy corporate clientele as their solid credit profile will reduce and facilitate the financing cost to Small and Medium Enterprises. FinansHere was launched on 13 April 2021.

(e) On 30 November 2021, the Company had incorporated a wholly-owned subsidiary, Digital Medtech Solutions Sdn. Bhd., by way of issuance of 2 ordinary shares of RM1 each for a total consideration of RM2. The principal activities of the Digital Medtech Solutions Sdn. Bhd. are provision of software development, multimedia, information technology and other related services.

(f) On 20 December 2021, Finanshere Sdn. Bhd. had allotted 111,220 ordinary shares of RM1 each fully paid on application and allotment. Out of the 111,220 ordinary shares, 66,732 ordinary shares were subscribed by the Company for a consideration of RM66,732, satisfied by the way of capitalisation of intercompany loan payable by Finanshere Sdn. Bhd. to the Company. The Company's effective ownership in Finanshere Sdn. Bhd. remains the same as a result of the additional shares purchased.

32. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 20 October 2021, the Company applied to the Companies Commission of Malaysia ("CCM") to strike off its indirect subsidiary, Privasia (Sabah) Sdn. Bhd., from the register of CCM pursuant to Section 550 of the Companies Act 2016. On 7 February 2022, Privasia (Sabah) Sdn. Bhd. had been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 in the Gazette. Accordingly, Privasia (Sabah) Sdn. Bhd. has ceased to be an indirect subsidiary of the Company.

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS

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

We, DATO' AZMAN BIN MAHMUD and PUVANESAN A/L SUBENTHIRAN, being two of the directors of Privasia Technology Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 80 to 171 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

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

....
DATO' AZMAN BIN MAHMUD
Director

....
PUVANESAN A/L SUBENTHIRAN
Director

Kuala Lumpur

Date: 12 April 2022

STATUTORY DECLARATION

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

I, KULARAJAH A/L M.THAVARATNAM, being the officer primarily responsible for the financial management of Privasia Technology Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 80 to 171 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

....
KULARAJAH A/L M.THAVARATNAM
MIA Membership No: CA 32004

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 12 April 2022.

Before me,

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIVASIA TECHNOLOGY BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Privasia Technology Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 80 to 171.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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 Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

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

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIVASIA TECHNOLOGY BERHAD
(Incorporated in Malaysia)

KEY AUDIT MATTERS (continued)

GROUP

GOODWILL AND INTANGIBLE ASSETS (NOTES 4(A), 4(B) AND 7 TO THE FINANCIAL STATEMENTS)

The Group has significant goodwill and intangible assets. We focused on this area because this assessment of goodwill and intangible assets require significant judgements by the directors on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin.

Our Response:

Our audit procedures included, among others:

- Considering and discussing the appropriateness of the methodology and method adopted by the Group in measuring the recoverable amount;
- Discussing the Group's assumptions in relation to key inputs such as discount rate, forecast growth rates and gross profit margin;
- Testing the mathematical accuracy of the impairment assessment; and
- Analysing the sensitivity of key assumptions by discussing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

TRADE RECEIVABLES (NOTES 4(C) AND 12 TO THE FINANCIAL STATEMENTS)

The Group has significant trade receivables as at the end of the financial year. We focused on this area because the directors made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the directors selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.

Our Response:

Our audit procedures included, among others:

- Discussing the design of the implementation of controls associated with monitoring and impairment assessment of trade receivables that were either in default or significantly overdue;
- Developing understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by the Group;
- Obtaining confirmation of balances from selected samples of receivables;
- Checking subsequent receipts, customer correspondence, and Group explanation on the recoverability of debtors with significant past due balances; and
- Understanding and discussing the calculation of expected credit losses as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIVASIA TECHNOLOGY BERHAD
(Incorporated in Malaysia)

KEY AUDIT MATTERS (continued)

COMPANY

INVESTMENT IN SUBSIDIARIES (NOTES 4(D) AND 8 TO THE FINANCIAL STATEMENTS)

As at the end of the financial year, the Company determined whether there is any indication of impairment in investment in subsidiaries.

We focused on this area because the directors' assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiaries respectively were determined based on value-in-use which includes the discount rates applied in the recoverable amount calculation and the assumption supporting the underlying cash flow projections which include future sales, gross profit margin and operating expenses.

Our Response:

Our audit procedures included, among others:

- Understanding and discussing the Company's assumptions in relation to key assumptions in the projections;
- Testing the mathematical accuracy of the impairment assessment; and
- Understanding and discussing the sensitivity of key assumptions that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIVASIA TECHNOLOGY BERHAD
(Incorporated in Malaysia)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIVASIA TECHNOLOGY BERHAD
(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIVASIA TECHNOLOGY BERHAD
(Incorporated in Malaysia)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 8 to the financial statements.

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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2024 J
Chartered Accountant

Kuala Lumpur

Date: 12 April 2022

ANALYSIS OF SHAREHOLDING

ANALYSIS OF SHAREHOLDING AS AT 31 MARCH 2022

Issued Share Capital	:	614,020,020 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share

NUMBER OF SHAREHOLDERS:

ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHAREHOLDINGS
Less than 100	23	0.36	717	0.00
100 – 1,000	501	7.83	289,883	0.05
1,001 – 10,000	2,333	36.48	15,197,200	2.48
10,001 – 100,000	2,944	46.03	113,350,300	18.46
100,001 – 30,701,000*	592	9.26	259,296,200	42.23
30,701,001 and above**	3	0.05	225,885,720	36.79
TOTAL	**6,396**	**100.00**	**614,020,020**	**100.00**

Note : * Less Than 5% Of Issued Holdings
** 5% And Above Of Issued Holdings

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

		DIRECT INTEREST		INDIRECT INTEREST	
NO.	NAMES OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHARES	%
1.	*PUVANESAN A/L SUBENTHIRAN			150,885,720	24.57
	Share held through:-				
	Individual Account	15,981,400	2.60		
	Maybank Securities Nominees (Tempatan) Sdn. Bhd.	1,260,800	0.21		
		17,242,200	2.81		
2.	**ANDRE ANTHONY A/L HUBERT RENE	5,674,700	0.92	154,713,220	25.20
3.	ANYOTECH SDN. BHD.	79,713,220	12.98	-	-
4.	RADIANT PRINCIPLES SDN. BHD.	75,000,000	12.21	-	-
5.	PANCARTHIRAN SDN. BHD.	71,172,500	11.59	-	-

ANALYSIS OF SHAREHOLDING

DIRECTORS' SHAREHOLDING (ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

		SHAREHOLDING			
NO.	NAMES OF DIRECTORS	DIRECT	%	INDIRECT	%
1.	*PUVANESAN A/L SUBENTHIRAN			150,885,720	24.57
	Share held through:-				
	Individual Account	15,981,400	2.60		
	Maybank Securities Nominees (Tempatan) Sdn. Bhd.	1,260,800	0.21		
		17,242,200	2.81		
2.	**ANDRE ANTHONY A/L HUBERT RENE	5,674,700	0.92	154,713,220	25.20
3.	DATO' AZMAN BIN MAHMUD	-	-	-	-
4.	HAIDA SHENNY BINTI HAZRI	576,000	0.09	-	-
5.	HASLINDA BT HUSSEIN	-	-	-	-
6.	RACHEL LAU JEAN MEI	-	-	-	-
7.	LEONG KAH CHERN	500,000	0.08	-	-
	Share held through:-				
	Kenanga Nominees (Tempatan) Sdn. Bhd.				

Note : * Deemed interest under Section 8(4) of the Act by virtue of shares held by Anyotech Sdn Bhd and Pancarthiran Sdn Bhd.
** Deemed interest under Section 8(4) of the Act by virtue of shares held by Anyotech Sdn Bhd and Radiant Principles Sdn Bhd.

ANALYSIS OF SHAREHOLDING

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE RECORD OF DEPOSITORS)

NO.	NAMES	SHAREHOLDING	%
1.	ANYOTECH SDN. BHD.	79,713,220	12.98
2.	RADIANT PRINCIPLES SDN. BHD.	75,000,000	12.21
3.	PANCARTHIRAN SDN. BHD.	71,172,500	11.59
4.	PUVANESAN A/L SUBENTHIRAN	15,581,400	2.54
5.	DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI	12,830,000	2.09
6.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM YEOW KIM (MG0000137)	12,815,300	2.09
7.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR LEE SIEW LIN	10,470,000	1.71
8.	ANDRE ANTHONY A/L HUBERT RENE	5,674,700	0.92
9.	LEONG YENG KIT	3,725,600	0.61
10.	ADRIAN HENRY D'SILVA	3,500,000	0.57
11.	CHONG SAU KUEN	3,500,000	0.57
12.	SIM YI CHIAN	3,450,000	0.56
13.	FIRMANSYAH AANG BIN MUHAMAD	2,846,900	0.46
14.	SHEIKH AHMAD DARABI BIN SULAIMAN	2,763,200	0.45
15.	JEREMIAH A/L MICHEAL	2,250,000	0.37
16.	LEE KAO CHOON	2,000,000	0.33
17.	MOHD FAIZ BIN MOKHTAR	2,000,000	0.33
18.	HENG YIK WAH	1,990,000	0.32
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD DERRICK KONG YING KIT (PCS)	1,750,000	0.29
20.	DUCLOS SDN BHD	1,600,000	0.26
21.	DATUK ALI BIN ABDUL KADIR	1,525,000	0.25
22.	HAN FOO JUAN	1,400,000	0.23
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FAMI TAUFEQ BIN FAKARUDIN	1,400,000	0.23
24.	SHAIFUL ZAHRIN BIN SUBHAN	1,346,900	0.22
25.	GARY YAP THEAN POH	1,300,000	0.21
26.	HA TUNG HUA	1,249,000	0.20
27.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGE SECURITIES ACCOUNT FOR PUVANESAN A/L SUBENTHIRAN	1,230,800	0.20
28.	KENANGA NOMINEES (TEMPTAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHUA WEE CHEE	1,200,000	0.20
29.	M&A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOON NEE SIEW (M&A)	1,200,000	0.20
30.	ONG YEW BENG	1,200,000	0.20

PROPERTY OF THE GROUP

LOCATION	DESCRIPTION/ EXISTING USE	BUILT UP AREA OF BUILDING (SQ. FT)	AGE OF BUILDING (YEARS)	TENURE	NET BOOK VALUE AS AT 31.12.21	DATE OF ACQUISITION/ REVALUATION
PRIVASIA SDN. BHD.						
Unit C-21-01 to 07, 3 Two Square, No. 2 Jalan 19/1 46300 Petaling Jaya, Selangor Darul Ehsan	1st Storey: Retail Lot – Tenanted	1,798	13	99 years lease expiring on 6 September 2106	12,102,552	28.03.2008
	2nd - 7th Storey: Office Use	23,508				
Strata title held under PN50495, Bangunan M1-C/2/130, Lot 103, Seksyen 36, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan.						

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

PRIVASIA TECHNOLOGY BERHAD Registration No: 200801023769 (825092-U) (Incorporated in Malaysia)

FORM OF PROXY

PRIVASIA
TECHNOLOGY BERHAD

Number of Shares held	CDS Account No.
	- -

I/We, ____ NRIC/Company No. ______________________
(FULL NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN BLOCK LETTERS)

(Tel No: ______________________) of ____
(FULL ADDRESS)

being a member / members of PRIVASIA TECHNOLOGY BERHAD, hereby appoint the following:

Name of Proxy	NRIC / Passport No.	Email	Telephone No.	No. of Shares	Proportion of Shareholdings (%)

and / of failing him / her

Name of Proxy	NRIC / Passport No.	Email	Telephone No.	No. of Shares	Proportion of Shareholdings (%)

or failing him / her, the Chairman of the Meeting as my / our proxy / proxies to attend and vote for me / us on my / our behalf at the Fourteenth Annual General Meeting ("14th AGM") of the Company, which will be conducted on a fully virtual basis through online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. on Thursday, 30 June 2022 at 10.00 a.m. and at any adjournment thereof.

My / Our proxy is to vote on the resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he / she thinks fit.

No.	Ordinary Resolutions	FOR	AGAINST
1.	To re-elect Puvanesan A/L Subenthiran as Director.		
2.	To re-elect Haslinda BT Hussein as Director.		
3.	To approve the payment of Directors' fees from 1 July 2022 until the conclusion of the next Annual General Meeting of the Company to be held in 2023.		
4.	To approve the payment of Directors' benefits from 1 July 2022 until the conclusion of the next Annual General Meeting of the Company to be held in 2023.		
5.	To approve the payment of Directors' fees and benefits of the Company's subsidiaries for the financial year ended 31 December 2021.		
6.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration.		
7.	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Dated this ________ day of ________ , 2022

____

Signature
(If Shareholder is a corporation, this part should be executed under seal)

NOTES TO FORM OF PROXY:-

1. The meeting will be conducted fully virtual where shareholders are only allowed to participate remotely via live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facility which are available on Boardroom Smart Investor Online Portal at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657). With RPEV facilities, a shareholder may exercise his/her right to participate and vote at the 14th AGM via the following mode of communication: i.) Pose questions to the Board via real time submission at typed texts at meeting platform ii.) submit questions by logging into Boardroom Smart Investor Portal at https://investor.boardroomlimited.com prior to the Meeting. Please follow the procedures provided in the Administrative Guide for the 14th AGM in order to register, participate and vote remotely via RPEV facilities.
2. The Broadcast Venue is strictly a main venue of the 14th AGM where the Chairman will be present in compliance with Section 327(2) of the Companies Act 2016. No members/proxies from the public will be physically present at the Broadcast Venue on the day of the 14th AGM.
3. For the purpose of determining who shall be entitled to attend the 14th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at 23 June 2022. A Depositor whose name appears as such Record of Depositors shall be entitled to attend the Meeting.
4. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote on his/her behalf. Where a member appoints more than one (1) proxy, the member shall specify the proportion of the shareholding to be represented by each proxy, failing which the appointments shall be invalid.
5. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a Meeting shall have the same rights as the Member to speak at the Meeting.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of its attorney duly authorised in writing.
7. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
8. Where a Member is an Exempt Authorised Nominee as defined under SICDA 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.
9. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority, must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrar Sdn. Bhd. and may either be in the following manner:-
   (i) Either by hand or post, at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; or
   (ii) Electronically via email at BSR.Helpdesk@boardroomlimited.com ; or
   (iii) Electronic means via Share Registrars website, Boardroom Smart Investor Online Portal. Kindly follow the link at https://investor.boardroomlimited.com to log in, register and deposit your proxy form electronically.

   not less than forty eight (48) hours before time for holding the Meeting i.e. latest by 28 June 2022 at 10.00 a.m or any adjournments thereof or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof.
10. Pursuant to Paragraph 8.31A(1) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, all the resolutions in the 14th AGM of the Company shall be put to vote by way of poll.
11. By submitting the proxy form, the member consents to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, including any adjournment thereof.

1st Fold Here

AFFIX STAMP

PRIVASIA TECHNOLOGY BERHAD
Registration No: 200801023769 (825092-U)

BOARDROOM SHARE REGISTRARS SDN. BHD.
GROUND FLOOR OR 11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13
46200 PETALING JAYA
SELANGOR DARUL EHSAN

2nd Fold Here

Fold This Flap For Sealing

Leading and connecting businesses by building and challenging next generation digital propositions

PRIVASIA
TECHNOLOGY BERHAD

PRIVASIA TECHNOLOGY BERHAD
Registration No : 200801023769 (825092-U)
C-21-02, 3 Two Square
2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan
T : +603 - 7967 9600
F : +603 - 7967 9797
E : info@PRIVASIA.com
www.PRIVASIA.com