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PUC BERHAD
[199701036234 (451734-A)]

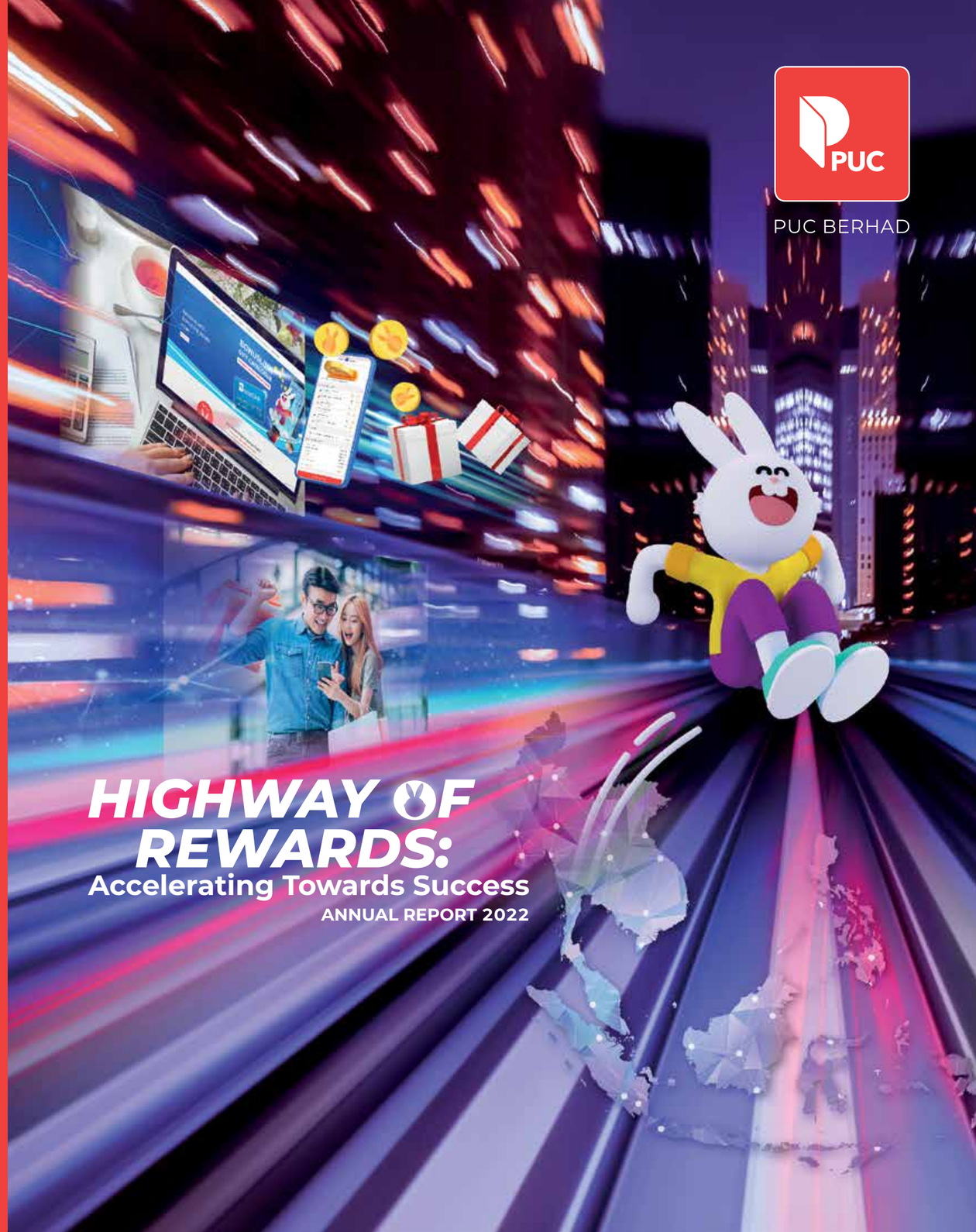
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Selangor, Malaysia.

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www.puc.com

PUC BERHAD [199701036234 (451734-A)]

Annual Report 2022



PUC BERHAD

HIGHWAY OF REWARDS:

Accelerating Towards Success

ANNUAL REPORT 2022

GLOSSARY

Terms

Bursa Securities	The Board	PUC / The Company	The Group
Bursa Malaysia Securities Berhad	Board of Directors	PUC Berhad	PUC Berhad and its subsidiaries

Acronyms

AAPG3	Audit and Assurance Practice Guide 3
ABAC	Anti-Bribery and Corruption Policy
AGM	Annual General Meeting
AMLR	ACE Market Listing Requirements
AR2021	Annual Report 2021
ARMC	Audit and Risk Management Committee
B2B2C	Business-to-Business-to-Consumer
BNM	Bank Negara Malaysia
CA 2016	Companies Act 2016
CG	Corporate Governance
COCE	Code of Conduct and Ethics
COI	Conflict of Interest
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus disease 2019
CSR	Corporate Social Responsibility
EES	Economic, Environmental and Social
EGM	Extraordinary General Meeting
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESIS	Employees' Share Issuance Scheme
ESOS	Employees' Share Option Scheme
F&B	Food and Beverage
FCTR	Foreign Currency Translation Reserve
FY	Financial Year
GDP	Gross Domestic Product
GMD	Group Managing Director and Group Chief Executive Officer
GRI	Global Reporting Initiative
HR	Human Resource
IAF	Internal Audit Function
JV	Joint Venture
KPKT	Kementerian Perumahan dan Kerajaan Tempatan
LAT	Loss after Tax
MASB	Malaysian Accounting Standards Board
MCCG	Malaysian Code on Corporate Governance
MCO	Movement Control Order
MDR	Merchant Discount Rates
MFRS	Malaysian Financial Reporting Standards
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
NC	Nomination Committee
O2O2O	Online-to-Offline-to-Online
POS	Point-of-Sale
RC	Remuneration Committee
RCEP	Regional Comprehensive Economic Partnership
RTE	Ready-to-Eat
SC	Sustainability Committee
SGS	Employees' Share Grant Scheme
SME	Small and Medium-sized Enterprise
SOPs	Standard Operating Procedures
SS2021	Sustainability Statement 2021
ToR	Terms of Reference
UNSGDs	United Nation Sustainable Development Goals
WFH	Work-from-Home

25th **ANNUAL GENERAL MEETING**

Please refer to the Notice of AGM and Administrative Notes from pages 207 to 212 for details of the virtual AGM

Monday, 26 June 2023

3.00 P.M.

Inside this report

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About This Report

INTRODUCTION

PUC Berhad (**"PUC"** or the **"Group"**) presents its Annual Report 2022 (**"AR2022"**) for financial year ended 31 December 2022 (**"FY2022"**). AR2022 provides a comprehensive account of the Group's business and operational performance, management's strategic initiatives undertaken as well as audited financial statements and other management statements.

AR2022 also presents strategies for addressing and mitigating the various challenges faced by PUC in a post-pandemic landscape, alongside forward-looking statements regarding the risks, opportunities and outlook and prospects in relation to the Group's businesses going forward. Information presented involves non-financial values created. Non-financial value creation pertains to PUC's economic, environmental, social and governance (**"EESG"**) performance as provided in the Group's Sustainability Statement for FY2022 (**"SS2022"**).

Moreover, AR2022 goes beyond showcasing financial performance to provide readers, especially shareholders and investors, a holistic narrative of PUC's business model and strategic approach amidst an unpredictable but opportunistic operating environment, as well as detailing the Management's plans to drive future business expansion and strengthen its competitive ability.

REPORTING CONTENT

For the selection of the relevant report content to be reported in AR2022, PUC adhered to the following reporting on content that is applicable to the Group's resources (i.e. capitals), business operations as well as to the outcomes and outputs generated from financial and non-financial value creation.

Essentially, AR2022 focuses on matters that might have a significant influence on PUC's ability to create short, medium, and long-term value.

Here are several key sections that provide strategic information:

OUR BUSINESS (page 10)
Provides information on PUC, its key business channels / products and services, its market presence and other background disclosures on the nature of the Group's operations.

STRATEGY REVIEW (page 13)
Information that is pertinent to the business model, including business strategies and supporting market information such as forecasted growth statistics and more.

GROUP MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE (page 26)
A narrative from the Group's highest executive decision-maker providing a detailed account of PUC's operating environment in FY2022. Management's response to market conditions and the various highlights and achievements realised during the financial year are also detailed. The narrative also delves into the challenges faced and provides information on the Group's outlook and prospects.

MANAGEMENT DISCUSSION AND ANALYSIS (page 62)
A comprehensive financial review of the Group's financial performance for FY2022.

SUSTAINABILITY STATEMENT (page 32)
An account of the Group's sustainability governance and performance, covering material EESG topics for FY2022.

RELATED INFORMATION

This report is accompanied with additional online disclosures for including consolidated and quarterly financial statements, policies, corporate governance documents, and other associated data. This information is given under the Investor Relations, Governance & Sustainability and Media Center tabs on the Group's website: https://www.puc.com.

REPORTING SCOPE & BOUNDARY

Unless otherwise stated, AR2022 covers PUC's relevant business operations, activities, processes and employees. It also covers the Group's relevant subsidiaries and associates, where applicable.

The boundary of PUC's reporting scope is also affected by its current capacity to collect and consolidate reliable, accurate and meaningful information. Thus, unless mentioned otherwise, disclosures in this report are limited to the Group's domestic operations. PUC hopes that its continual expansion of its international operations, alongside strengthening its data collection systems, would allow the Group to deliver better disclosures on its overseas operations in the future, where applicable.

Unless otherwise indicated, the content for this report reflects data and activities of the Group from 1 January 2022 to 31 December 2022.

REPORTING FRAMEWORKS

AR2022 has been developed in accordance with the following regulatory frameworks, laws and guiding principles:

- Companies Act 2016 (**"CA 2016"**)
- ACE Market Listing Requirements (**"AMLR"**) of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2021 (**"MCCG 2021"**)
- Bursa Malaysia Sustainability Reporting Guide – Second Edition 2018
- Malaysian Financial Reporting Standards (**"MFRS"**)
- International Financial Reporting Standards (**"IFRS"**)

ASSURANCE STATEMENT

PUC's audited financial statements for FY2022 are externally assured and audited by Messrs. UHY. Non-financial data in this report is not third-party assurance but has received internal assurance. More information on the assurance of non-financial data is available in SS2022.

ACKNOWLEDGEMENT OF FORWARD-LOOKING STATEMENTS

AR2022 discloses information on PUC's strategic priorities, future plans and guidance or advice on the Group's prospects, which were developed based on information and knowledge available to Management at a certain point in time.

Actual operating scenario and any results or outcomes achieved may vary, given the fluid operating environment and a wide range of external factors that are beyond PUC's control. The geopolitical conflict and post-pandemic recovery process in FY2022 are key examples that illustrate how conditions may rapidly change.

As such, forward-looking statements are not conclusive, and actual plans and results may differ from those expressed in this report. Forward-looking statements do not serve as guarantees of future operations or financial results, or any other kind of outcome.

DISTRIBUTION & AVAILABILITY

A digital version of this report is available for download from:

Our corporate website at

https://www.puc.com

Bursa Malaysia Securities Berhad's website at

https://www.bursamalaysia.com/market_information/announcements/company_announcement

FEEDBACK

The Group always welcomes feedback, concerns and inquiries that may enhance its reporting and disclosure ability going forward, which can be channelled to PUC's e-mail at info@puc.com.

Vision

To be the leader in connecting multiple lifestyle ecosystems via loyalty and redemption, providing best values and experience to its community.

Mission

Enrich Lives Everyday





FASTER



COOLER



RICHER

Core Values



P **Powered by Passion**

Passion to excel

We are driven by our passion to excel and committed to seek continuous improvement and development achieve excellence in what we do.

R **Rigorous Integrity**

Do the right thing and to do it right

We act with high ethical standards and committed to honesty and truthfulness in all our actions and decisions.

E **Embrace Inclusiveness**

Celebrate diversity, equality and inclusiveness

We value differences and committed to ensure fair treatment and opportunities in all aspects of our business.

S **Stimulate imagination**

Challenge status quo and push boundaries relentlessly

We empower and encourage imagination for creative solutions and opportunities.

T **Triumph with Courage**

Think and act boldly

We take on challenges with confidence, committed to bold objectives and change as continuous improvement.

O **Organic Teamwork**

Unity to win

We achieve more when we collaborate and work together - no matter what.

2022 Key Developments

JANUARY

- Presto Universe Sdn Bhd (**"Presto Universe"**), a wholly-owned subsidiary of PUC, had on 21 January 2022 entered into a joint venture agreement (**"JVA"**) with Cover Touch Sdn Bhd (**"CTSB"**) and KH Lim Capital Sdn Bhd (**"KLCSB"**) to undertake digital marketing aggregation of insurance service providers focusing on online general insurance and online life insurance products and services through Presto Assure Sdn Bhd.
- Presto Universe had on 26 January 2022 entered into a JVA with Wang Xi and KLCSB to undertake services for Presto to centralise, aggregate and integrate the services of third-party logistics, delivery and warehousing service providers, warehousing service providers into Presto digital ecosystem, which will then in turn provide these aggregated services to Presto's and its partners' merchants and consumers through Presto Plus Sdn Bhd.

FEBRUARY

- Launching of the first two PrestoMart Near U outlets at SS15 and SS2, Petaling Jaya, Selangor. PrestoMart Near U is Malaysia's first retail store concept which combines a retail mart along with e-commerce fulfilment and courier services in a single outlet.

MARCH

- The conditional subscription agreements between PUC with GPVF Sdn Bhd (**"GPVF"**), Matrix Edge Venture Sdn Bhd (**"MEV"**) and KLCSB dated 7 September 2021 (**"Share Issuance 30%"**) has been completed following the listing and quotation of 148,774,200 new PUC shares, being the final tranche of the Share Issuance 30%, on the ACE Market of Bursa Securities on 30 March 2022.
- Launching of the third PrestoMart Near U outlet at Bukit Indah, Nursajaya, Johor.

APRIL

- PrestoOffice launched its inaugural corporate secretarial and business accounting services to help entrepreneurs quickly set up their businesses hassle-free. Through PrestoOffice, small business owners can obtain digital corporate secretarial and business accounting services which optimize technology for their businesses at a reasonable cost.
- Issuance of Annual Report 2021 and Corporate Governance Report 2021 on 29 April 2022

MAY

- Launching of Colorverse x AFO Radio Collaboration in Decentraland. It was another milestone for Presto Color Sdn Bhd's blockchain technology, Colorverse - Asia's Leading SocialFi Community, to be the new Web 3.0 playground for the Group and brand partners to break the boundaries between virtual and reality, creating more meaningful interactions and connections with consumers, and adding on enhanced immersive offerings in a Virtual Entertainment Experience for the Presto digital ecosystem. Presto Color Sdn Bhd is a Joint-Venture between Presto Universe, Colorpixel Sdn Bhd, and KLCSB.

JUNE

- Held 24th Annual General Meeting on 28 June 2022

AUGUST

- Launching of another PrestoMart Near U outlet at Batu Pahat, Johor.

DECEMBER

- Presto partnered with Rise Advisory to power their rewards program (Rise Points) and to be their rewards redemption partner. Users with Rise Points can now be used as digital currency on Presto's marketplace, featuring over 50,000 products and services.

2022 NEWS COVERAGE

Report spots 10 unicorns in Malaysia



HSBC Malaysia head of commercial banking Karol Doshi said the list excites them as proof that the nation has all the right ingredients for start-ups to flourish and be leaders that shape the industry.

KUALA LUMPUR: The Emerging Giants in Asia Pacific report by HSBC and KPMG says there are 10 emerging giants in Malaysia poised to make an impact on the global business landscape over the next decade.

The 10 emerging giants in Malaysia are Boost Holdings, Exabytes, Jimeku, Presto Mall, Mindvalley, Neurogine, Ea

HSBC Malaysia head of co
proof that the nation has a
that shape the industry.

"To be an emerging giant o
start-ups the right suppor

PUC inks JV agreement to undertake digital insurance business



KUALA LUMPUR (Jan 21): Digital business operator PUC Bhd is p
Bhd (CTSB) and KH Lim Capital Sdn Bhd (KLCSB) to undertake o
aggregation service business.

In a bourse filing, PUC said the joint venture (JV) agreement was
subsidiary Presto Universe Sdn Bhd (PUSE), CTSB and KLCSB. Th
business through a JV company, Presto Assure Sdn Bhd (PASB) (
Qube Sdn Bhd).

Under the agreement, PUSE will hold a 40% stake in PASB, while
such. The parties agreed to contribute RM800,000 each as share
12 months.

汇丰毕马威点名大马十只潜在独角兽

财经新闻

2022年07月25日

本地 10 大潜在独角兽

排名	公司	领域	业务
1	Boost 拉提	手机商业	电子钱包和电商平台提供付款服务。
2	Exabytes	电商	电商托管服务，帮助中小企业扩大线上业务。
3	Jimeku	金融科技	客户保险与理赔管理系统。
4	Presto Mall	电商与科技、媒体和通讯（TMT）	提供让线上购物更个性化和吸引力的电商平台。
5	Mindvalley	人工智能&机械学习、教育科技、手机和 TMT	经营千禧年业务的教育投资集团。
6	Neurogine	金融科技、手机	提供银行、金融机构、投资者、经营团体、基金经营者、政府和他们领域金融科技方案。
7	Eatoseys	金融科技	提供零售方案的综合平台。
8	Says	手机、TMT	社会新闻公司提供影视娱乐和"基于阅读"业务。
9	Lazaser	交通和运输、即时商业（B2B）支付、电商、手机、数据和报告（SaaS）	电子采购平台帮助电商公司管理业务。
10	PolicyStreet	金融科技、保险科技	提供线上保险服务。

（吉隆坡25日讯）亚太区风险投资交易愈发加速，汇丰银
大马10家潜在成长为独角兽的

PrestoMart Near U 引领快速商务概念



挑剔再也SS15的PrestoMart Near U于开张当天遭异牌前来助兴。

PrestoMart Near U是大马首家结合零售店、电子商务和快递服务的零售概念店，通过把多种服务集成到一个实体店中，让消费者在进行电子商务的快递交易的同时，还可以购买零食、食品、小用品等。

PrestoMart Near U是由PUC控股集团子公司Presto Universe和FMX私人有限公司物流商Near U推出快伴关系的结品品，其诞生有望为零售业带来改变。

Presto集团总执行长张嘉洲指出，疫情为消费者的购物习惯造成了深刻的影响和改变，随而促使电子商务正转向快速商务（Q-commerce，Q代表Quick）发展。

"设立这概念商店的目的是让电子商务仓库更接近消费者，使交货能在下一个小时即能完成而无需待至第2天。"

Near U董事经理KK Yau说："我们预计到2023年杪将在各城市战略地点开设600家PrestoMart Near U，以满足忙碌城市人口的需求，为他们的零售体验注入更多便利元素。"

PrestoMart Near U提供的特点服务包括零售便利店、自助储存、快递柜寄取

Not being granted digital banking license doesn't mean game over for PUC





ALREADY reeling from the disappointment of not being granted Malaysia's pioneering digital banking license despite deeming itself as being "uniquely qualified" ACE Market-listed technology outfit PUC Bhd seems to have borne the double whammy of being punished for its failure to land the much coveted prize so to speak.

At a glance, its share price plunge seemed to coincide with Bank Negara Malaysia's (BNM) revelation of Malaysia's five pioneering digital licensees on April 29 (although market sentiment on the broader market has also been bearish across most global stock markets).

From 11 sen on the eve of the central bank's announcement, PUC has drifted lower to close at 5.5 sen on Friday (May 13) which gave the counter a market capitalisation of RM89 mil. The counter has traded between a 52-week range of 4.5 sen and 21 sen.

But a fortnight down the road, PUC is now adamant that while the digital bank license would have been a significant component in the group's overall businesses – especially to its Presto digital ecosystem – failing to clinch such license would not unduly impact its core business moving forward either.

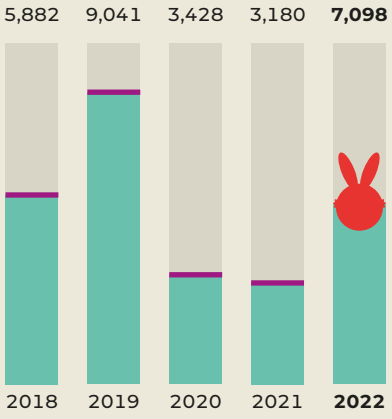


Key Financial Highlights

RM million	FY2018		FY2019		FY2020		FY2021		FY2022	
REVENUE	51.46	100.00%	47.01	100.00%	8.60	100.00%	23.27	100.00%	19.25	100.00%
OMNICHANNEL	34.02	66.12%	37.75	80.30%	5.17	60.06%	19.36	83.20%	12.15	63.12%
PRESTO	5.88	11.43%	9.04	19.23%	3.43	39.86%	3.18	13.67%	7.10	36.88%
OTHERS	11.55	22.45%	0.22	0.47%	0.01	0.08%	0.73	3.13%	0	0%

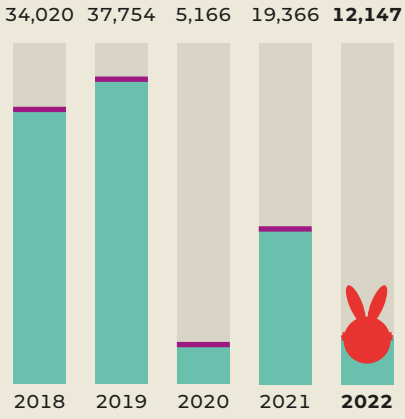
Revenue
Presto
(RM'000)

RM**3.9** million
123.2%



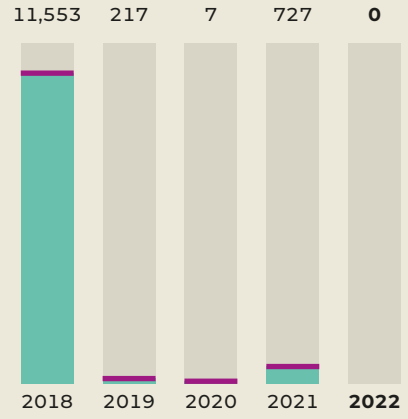
Revenue
OmniChannel
(RM'000)

RM**(7.2)** million
-37.3%



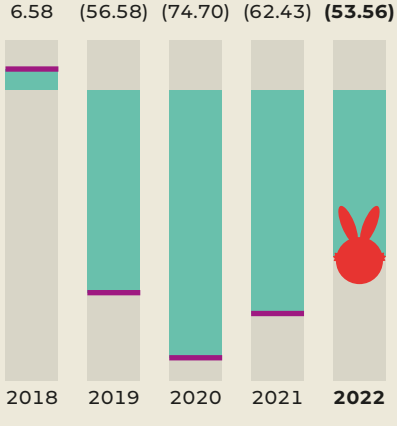
Revenue
Others
(RM'000)

RM**(0.7)** million
-100%



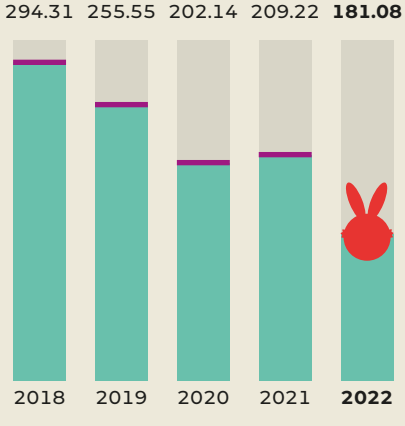
Net Profit/(Loss) After Tax
(RM million)

RM**8.9** million
14.2%



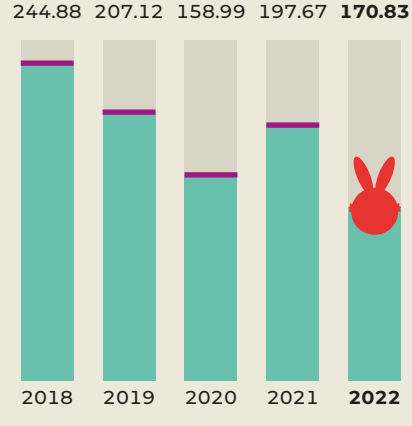
Total Assets
(RM million)

RM**(28.1)** million
-13.4%



Total Equity
(RM million)

RM**(26.8)** million
-13.6%



Corporate Information

BOARD OF DIRECTORS

Datuk Oh Chong Peng
Independent Non-Executive Chairman

Cheong Chia Chou
Group Managing Director and Group Chief Executive Officer

Liew Peng Chuen @ Liew Ah Choy
Independent Non-Executive Director

Raja Zafura Binti Raja Zain
Independent Non-Executive Director

Hafez Mohd Hashim Bin Razman Md Hashim
Independent Non-Executive Director

Fong Yew Meng
Independent Non-Executive Director
(appointed on 28 February 2022)

Ng Say Beng
Non-Independent Non-Executive Director
(appointed on 1 August 2022)

Dato' Sri Adnan Bin Wan Mamat
Non-Independent Non-Executive Director
(appointed on 14 November 2022)

Ooi Kah Hoe
Independent Non-Executive Director
(appointed on 19 January 2023)

Lee Bao En
Independent Non-Executive Director
(resigned on 19 January 2023)

Wan Hazreek Putra Hussain Yusuf
Non-Independent Non-Executive Director
(retired on 28 June 2022)

Company Name:	Registration No.:	Stock Name:	Stock Code:	Stock Exchange:
PUC Berhad	199701036234 (451734-A)	PUC	0007	ACE Market of Bursa Malaysia Securities Berhad

COMPANY PRINCIPAL ACTIVITY

The Company is principally involved in investment holding.

GROUP PRINCIPAL ACTIVITIES

The Group is principally engaged in two business segments namely OmniChannel and Presto.

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
- Fong Yew Meng
  (appointed on 28 February 2022)

Members
- Liew Peng Chuen @ Liew Ah Choy
- Raja Zafura Binti Raja Zain
- Lee Bao En
  (resigned on 19 January 2023)

REMUNERATION COMMITTEE

Chairman
- Liew Peng Chuen @ Liew Ah Choy

Members
- Raja Zafura Binti Raja Zain

NOMINATION COMMITTEE

Chairman
- Liew Peng Chuen @ Liew Ah Choy

Members
- Raja Zafura Binti Raja Zain
- Hafez Mohd Hashim bin Razman Md Hashim
  (appointed on 18 February 2022)

COMPANY SECRETARIES

- Lim Seck Wah (MAICSA 0799845)
  (SSM PC No: 202008000054)
- Tang Chi Hoe (Kevin)
  (MAICSA 7045754)
  (SSM PC No: 202008002054)

REGISTERED OFFICE

Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2692 4271
Fax: (603) 2732 5388

MANAGEMENT OFFICE

Unit C-2-01, Level 2, Capital 3
Oasis Square, No. 2, Jalan PJU 1A/7A
Ara Damansara, PJU 1A
47301 Petaling Jaya
Selangor, Malaysia
Tel : (603) 7651 0188

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
(Registration No. 198901010682 (187984-H))
Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2692 4271
Fax: (603) 2732 5388

PRINCIPAL BANKERS

- Alliance Bank Malaysia Berhad
- Malayan Banking Berhad

AUDITORS

Messrs. UHY (AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (603) 2279 3088
Fax: (603) 2279 3099

COMPANY WEBSITE

http://www.puc.com

COMPANY EMAIL ADDRESS

info@puc.com

Our Business

Incorporated in 1997 in Malaysia and listed on ACE Market in 2002, PUC Berhad (**"PUC"** or the **"Group"**) has built a solid base in the integrated media services industry over the years. Over two decades later, the Group shifted its focus onto the digital market and has spent the last six years developing and enhancing its digital ecosystem. The two core businesses established at the company are Omnichannel and Presto, with new services and business pivots spawning from these core businesses. The hope is that the continuous growth and agility of these core digital businesses will drive the brand to another level and lead PUC to become the country's leading digital service provider.

OMNICHANNEL



PUC's Omnichannel segment offers marketing solutions that combine traditional and digital types of advertising along with digital imaging. This provides us with the appropriate tools to use for our clients and improve their brand outreach through branding campaigns.

Notably, our Omnichannel segment has undergone major changes in recent years, given the decrease in demand for traditional media. Focus has therefore shifted to seeking opportunities in the digital media and advertising segment, with the aim of integrating the Omnichannel segment into our Presto digital ecosystem by promoting Presto's products and services through various digital marketing and advertising strategies. Any losses in this segment have been due to the ongoing restructuring of our Omnichannel segment.

Media Planning and Buying	• We understand the importance of satisfying our clients' marketing and branding objectives. In order to achieve this, we offer a variety of products and services ranging from traditional advertising to digital marketing to improve sales and market outreach.
OmniChannel Marketing Platform	• The growing demand for a cost effective marketing platform is what prompted PUC to develop Omnichannel to begin with. It serves to improve brand outreach by focusing on specific target audiences through marketing / advertising channels. We have shifted our objectives of Omnichannel to align more towards promoting Presto products and integrate it into our larger digital ecosystem.
Imagery Capture and Distribution Platform	• PUC's associate company, Pictureworks Holdings Sdn Bhd (**"PWSB"**) is heavily involved in imagery capture and distribution platforms. Their expertise in the entertainment industry includes providing services for over 40 theme / leisure parks and attractions in 13 countries whilst also working on imagery systems licensing.

PRESTO



The Presto segment covers the Group's Presto platform businesses which consist of e-commerce, electronic money, loyalty points redemption and aggregation, payment services, technology businesses as well as associate companies such as Presto Mall Sdn Bhd (the owner and operator of e-commerce platform PrestoMall), Presto Power Sdn Bhd (powerbank leasing), Presto Color Sdn Bhd (digital content), Presto Plus Sdn Bhd (aggregator of logistic and warehousing services), Presto Assure Sdn Bhd (aggregator of online general and life insurance products and service) and NKL360 Malaysia Sdn Bhd (food delivery services).

FinTech and Loyalty Points Redemption

- **Presto Pay** – Our e-wallet and electronic payment service is aimed at enabling businesses to use online payment processing services with more efficiency. As a licensed electronic money issuer registered with Bank Negara Malaysia, the e-wallet is directly linked to our Presto mobile app. On the other hand, by collaborating with loyalty and reward programme partners like BonusLink, PLUSMiles, AirAsia Rewards, V Sing and RISE Advisory, Presto users can spend their loyalty points, in any combination with different loyalty points or credits, in the Presto mobile app.

- **Presto Assure** – Through a Joint Venture (**"JV"**) partnership, the JV company will represent Presto digital ecosystem in providing digital marketing and aggregating insurance service providers on general and life insurance, and in turn introducing the insurance products to Presto's merchants and users on the Presto digital platform.

Q-commerce

- **Presto Mall** – Focusing on the e-commerce section of PUC, Presto Mall offers a wide variety of products on its platform that cater to growing consumer demands. It acts as an online marketplace that offers both international and local brands. The e-commerce platform is also used as an e-catalogue for users to redeem products using their loyalty points.

- **Presto Retail** – As part of the online-to-offline-to-online (**"O2O2O"**) initiatives, Presto Retail is a JV between Presto Mall and Near U, a logistics service provider, that operates the PrestoMart Near U outlets. PrestoMart Near U is Malaysia's first retail store concept which combines a retail mart along with e-commerce fulfillment and courier services in a single outlet.

- **Presto Direct** – PUC hopes to provide entrepreneurial oppurtunities for our customers through this open dropshipping platform. Using our digital ecosystem, Presto Direct allows retailers to sell their own products online in their storefront , whilst also providing payment gateways and warehouse storage. Our previously mentioned PrestoMart system is based off Presto Direct and makes use of our system. Presto Direct can be seen as part of our strategy to transition to Quick commerce as transaction and delivery times can be significantly reduced with Presto Direct and improve the overall efficiency of the e-commerce process.

- **Presto Plus** – This involves the logistic segment for Presto brands. Development of this service has taken place in terms of logistics, cross border import export, warehousing and last-mile delivery.

- **Presto Power** – Our collaboration with Instpower Co. Ltd and Cheng Lin Holdings Sdn Bhd, PUC has allowed for development of a powerbank renting service with the aim of having 1,000 units deployed nationwide in the near future. This venture has also helped develop Presto's app capabailities.

PRESTO (cont'd)

Other Presto Services

- **Presto Color** – Adding on to the many services that PUC provides, we have also entered the entertainment business. The aim is to distribute in demand content efficiently by using online channels. Steps to diverge into other mediums like the metaverse have also been explored.

- **NKL360 Malaysia Sdn Bhd ("NKL")** – As part of PUC's strategic investment, NKL, which mainly provides food and grocery delivery services, last mile delivery services, platform delivery and all types of delivery services under the brand "BAIJIA", is expected to offer synergistic benefits to PUC's Presto businesses especially in the e-commerce and e-payment business as the food delivery services have been integrated into the Presto digital platform. Apart from the potential return on investment, PUC Group will also benefit from the revenue generated from the e-commerce and e-payment services as the transaction volume increases.

OTHERS



STRATEGIC INVESTMENTS AND VENTURES

Continuous innovation and business opportunities are always being considered and developed in PUC, despite the current enlarged scope of businesses PUC has diversified into thus far. Whether it may be potential future investments or beneficial partnerships, PUC endeavours to be bold, in-trend and holistic in making business decisions. These inclinations are what have sustained continued growth at PUC two decades later.

PUC, through the Presto segment, has spent the last several years building a solid foundation for our digital ecosystem development. Today, Presto has become a matured player in the market by providing the services in digital payments, E-commerce, online-to-offline (**"O2O"**), and Loyalty Points Aggregation. This is in pursuit of becoming a super loyalty app in the region.

Continuous enhancement will remain a primary driver of the Presto digital ecosystem's future as we expect to witness a period of significant growth for PUC from now onwards.

Strategy Review

PUC Berhad and its subsidiaries ("PUC" or the "Group") started off as a conventional media solutions provider in 1997 and has since transitioned into one of Malaysia's leading digital service providers. Currently there is a heavy dependence on the digital world and how it has transformed the entire process in which consumers purchase and use products and services. The continuous adaptation and development of using e-commerce and other forms of digitalisation is the direction that PUC continues to strive towards.

Further background information of the Group and its location of operations, business presence and other details are provided in the Our Business section of this Annual Report.

GROUP BUSINESS MODEL AND OPERATIONAL STRATEGY

Our business model comprises the following:

Business segment	Revenue Model	Operational Strategy
 **Omnichannel**	***i) Media and Advertising Businesses*** – Sale of digital media and ad space. – Provision of media planning and media buying services for local and global media with custom data-led solutions to drive conversion. ***ii) Digital Imaging Business*** – Sale of photos and digital photos to customers. – Licensing the imagery systems to theme park, leisure and entertainment partners.	Leveraging the Presto digital ecosystem to drive the Omnichannel Marketing collaboration as demand for conventional and outdoor advertising has plummeted due to branding and marketing activities being deemed secondary priorities. Companies are thus looking to conserve cashflow and reduce expenditure towards ensuring business and operational sustainability.

Business segment	Revenue Model	Operational Strategy
Presto	***i) Partner Loyalty Points Direct Integration*** – Loyalty points redeemed at Presto will be funded by respective loyalty program partners. ***ii) Presto's Product*** – Selling of Presto's products via the Presto Digital Platform and Presto Mini Programme embedded to our partners' platform. ***iii) Merchandising Partnership*** – Platform fees chargeable to sellers or merchants selling products on the e-commerce platform. – Margin of the trade of products in the e-commerce platform. – Service fees from software development projects.	Integrating loyalty points as a digital payment option on Presto, where users can use multiple loyalty points to redeem / "pay for" their purchases, and may combine loyalty points with other digital payment methods. We are extending a ready-to-use marketplace platform with loyalty e-commerce redemption for users via Presto Mini Programme (powered by Presto Direct) to be embedded in our partners' platform, which on aggregate reaches out to more than 10 million members represented by these platforms. Brand Partners of Presto can also access the reach of more than 10 million users via Presto Mini Programme on our partners' app / web. We have various merchandising partnership models to meet the needs of different industries and brands and to drive revenue and profits for the Group. The marketplace business model would be a good channel for brands to kick off its partnership with Presto to leverage on Presto's reach, traffic, and unique selling point ("USP"). Redemption and sales trend will be analysed and reviewed to drive brands from the marketplace business model to be considered for outright purchase – to ensure higher product profit margins.

PRESTO DIGITAL ECOSYSTEM OVERVIEW

It is significant that information, performances and forecasts on the digital ecosystem permeate across this Annual Report, as this digital ecosystem does not just mean an online retail storefront of digitalised goods, but signifies the potential to be a game changer in how a person can lead their lifestyle in an accessible and convenient manner.

Developing this comprehensive digital ecosystem has been a prioritised ambition for PUC for years in order to erect a solid system that not only supports our customers' journey in marketplace engagement, but also facilitates the emergence of more unique services and propositions.

Lowest Price Guaranteed Online marketplace with exclusive deals on the latest products for all your daily essentials & lifestyle needs	**Free Shipping** Enjoy free shipping when you shop with Presto	**Super Value Bundles** Buy a variety of products and enjoy bundle deals savings	**100% Product Redemption** Redeem a variety of products with 100% loyalty points	**Buddies Special** Special deals just for Presto Buddies
Mart A wide variety of food, snacks, drinks from all over the world with on-demand delivery (O2O)	**Tickets** Conveniently book your favorite movie or get tickets for happening events around town	**Voucher** Aggregation of shopping vouchers for points redemption	**Carrots** Earn Carrot Loyalty Points with Presto	**Category** Multiple shopping categories choices to shop and redeem products

These aforementioned unique propositions from Presto's comprehensive digital ecosystem enables the delivery of a wide range of global products to be purchased and / or redeemed both offline and online; this Merchandise Mix will penetrate the different segmentations of customers' needs.

> 50,000
products
for redemption via Presto App

> 1,000
brands
Presto Online Store

> 2,500
SKU
at PrestoMart Offline Stores

> 10
countries global products
products from all over the world

Key categories on the Presto marketplace to provide for the different segmentations of customers include:



Strategy Review (cont'd)

Another important facet that fundamentally complements Presto's products and services catalogue is the marketing of our products via Presto mini programmes embedded in the platforms of multiple partners in order to holistically expand the scope of Presto digital ecosystem and pushing product sales through other marketplaces via the following enabler programmes:



Presto's Connectivity

Shopee

Hong Leong Bank

Presto

UOB

GrabPay

Touch 'n GO eWallet

Lazada

PayLater by Grab

LATITUDE PAY

ALLIANCE BANK

Boost

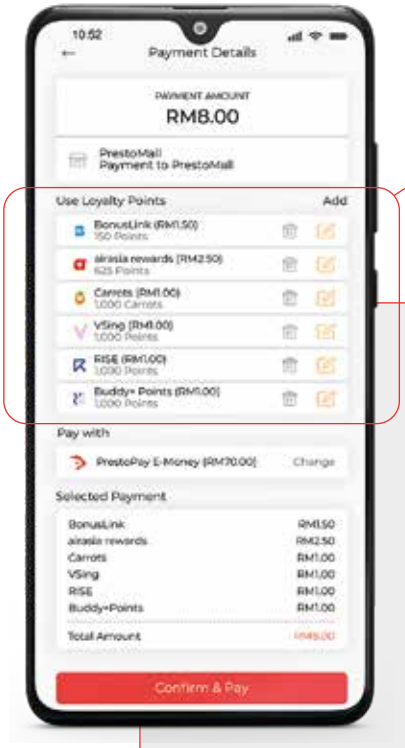
Others coming soon...

The ability for Presto digital ecosystem to disseminate its wide variety of products and services is bolstered by its robust distribution system accounts for the acceptance of multiple e-wallet payments, logistics and warehouse management, money lending services, sales of goods and services, open dropshipping as well as the aggregation of certain services and products:



Strategy Review (cont'd)

Chiefly, in pursuit of becoming Malaysia's largest super loyalty E-commerce application, the Presto digital ecosystem is being positioned towards increasingly integrating our partners' loyalty points via Presto Connect (i.e. Presto's payment gateway). This involves aggregating multiple loyalty points for redemption via Presto online and offline ecosystems to allow a wide variety of products and services to be redeemed in real time.



Combining multiple loyalty points and other payment method

Loyalty Points Direct Integration

Loyalty Points = Digital Currency

Loyalty points to act as a **digital currency**; when making a payment, members may **combine loyalty points with other digital payment methods**

BonusLink EVERYDAY IS A BONUS · eFMX · RISE ADVISORY · Others coming soon...

rewards · VSING · PLUSMiles

combined Reach of **> 10 million** members via direct integration

All these diverse focus areas of PUC's digital ecosystem development not only aim to raise the number of users who are on the Presto digital ecosystem but to also serve these customers efficiently and transparently by being a one-stop digital services solution. The ongoing development and sustainability of the Presto digital ecosystem thus remain necessary in order to elevate all the aforementioned services to become part and parcel of daily living.

SERVICES LAUNCHED

Presto maintains a high standard of value in its collaborations and partnerships that are formed. These partnerships have been a strategically effective way to further the business development of Presto, since Presto can leverage the expertise and attributes of our partners to develop and expand Presto to greater heights. These cooperative ventures may also greatly improve efficiency too, since costs, time and workload would be shared and distributed among our partners which ultimately cultivates a win-win collaboration for both parties involved.

Service	Description
Presto Pay	Apart from the existing issuance of e-money and e-payment services, Presto Pay also works with other industry leaders to develop a loyalty and reward programmes. One of the notable partnerships is with Pan Malaysian Pools Sdn Bhd which was formed to promote the use of the Presto service. This is done through campaigns such as the 'Get Rich Campaign' which hopes to retain our current loyal customers whilst also aiming to attract new customers through our reward scheme. The plan is to enhance Presto's market presence via providing incentives through loyalty points to customers and encouraging them to use the app.
Loyalty Partnerships	PUC has ventured into multiple partnerships in order to develop our loyalty programme through direct integration with existing Loyalty Partners, as this provides incentives for our customers to stay with us. Companies such as Bonus Link, AirAsia Rewards, RISE Advisory and PLUSMiles have joined us in order to offer their loyalty points as a payment method on Presto.
Presto Direct	Under the tagline of "everyone can sell today", Presto Direct, Presto's own e-commerce white label platform, is an open dropshipping platform that provides a brand-new service for suppliers and retailers in the e-commerce industry. Presto digital ecosystem has everything that a retailer would need to start their own personalised e-commerce stores. Presto Direct also allows any platform partners to embed in their own website / app, a customised e-commerce store where they may include any product that is available on Presto Digital Platform to the product catalogue at their own preference.
Presto Power	In collaboration with Instpower Co. Ltd and Cheng Lin Holdings, PUC has developed a power bank rental service that promotes PUC's development in the app industry and the target is for 1,000 units to be deployed across Malaysia in the near future.
Presto Assure	Presto Universe Sdn Bhd has entered a joint venture with Cover Touch Sdn Bhd and KH Lim Capital Sdn Bhd to develop Presto Assure Sdn Bhd. Most users of our e-commerce platform users rely on various forms of insurance on products and services. Presto Assure aims to improve the convenience for our users to obtain the specific insurance they want by introducing it to users of our Presto digital ecosystem.

Service	Description
Presto Plus	Presto Universe Sdn Bhd along with Wang Xi and KH Lim Capital Sdn Bhd have entered a JV that benefits the Presto digital ecosystem. The objective of this JV is to allow Presto to centralise and integrate services of third-party logistics, delivery and warehousing service providers into the Presto digital ecosystem. When fully integrated, these services will benefit our consumers and whilst also developing a key aspect of our Presto digital ecosystem. Our aim of having a complete ecosystem that comprises of e-commerce, e-payment, logistics and other services is helped with the development of Presto Plus.
Presto Color's Content Platform	Presto Color has been engaged in a JV that aims to publish a digital content platform that connects a self-sustaining community between audiences, customers, suppliers and stakeholders of the digital content industry segment. The platform would provide services such as publishing, trading and licensing of digital audio-visual content. This venture is in partnership with Presto Universe Sdn Bhd and Colorpixel Sdn Bhd and KH Lim Capital Sdn Bhd which allows us to utilise our combined knowledge of the industry and various specialties to develop the best content platform around.
PrestoMart Near U	Through our partnership with Near U (M) Sdn Bhd and FMX (M) Sdn Bhd, we have established a unique concept in Malaysia with our marts. It revolutionises the retail industry by having multiple services integrated into one physical store. We also made the transition to quick commerce (also known as q-commerce) as we move to further bridge the gaps between our e-commerce warehouses and our consumers to efficiently meet their delivery needs.

STRATEGIC OUTLOOK OF THE OPERATING ENVIRONMENT

PUC continues to place immense focus on the development of future-proof services in the e-commerce and fintech industry. The past several years have seen the Group secure a sound business foundation with this in mind through our Presto digital ecosystem, and we are currently entering the phase of our digital ecosystem that allows us to reap the benefits of this foundation we have built.

Primarily, the Group is looking to refocus its efforts into developing, strengthening and sustaining its niche business segment which is loyalty points and redemption services delivery and aggregation. The goal is to become a super loyalty app that houses multiple loyalty partners, with consumers able to use loyalty rewards as a unique payment system to shop in the Presto digital ecosystem.

The future is bright for loyalty programmes, and string statistics prove this. In Bond's The Loyalty Report 2022 found that 74% of consumers are more likely to recommend a brand if it has a good loyalty programme while 72% say that these programmes are part of their relationship with brands. This showcases how loyalty still remains strong even after the pandemic as consumers see the added value of being embedded in the loyalty programme landscape.

Open Loyalty's Loyalty Trends 2023 Report also states that in the next 2-3 years, key trends in this marketspace will include Web3.0, the convergence of payments and data, and a growing obsession with delivering personalisation of communications and experience. Presto's solid foundation in e-payments, notable experience in Web3.0 via recent strategic partnership through Presto Color as well as aggregating a variety of services in one ecosystem is therefore a great primer for us to fully capitalise on optimistic loyalty programmes trends.

Other focus areas are still vital to PUC, such as e-commerce which has rapidly grown in the past few years and accelerated further by the pandemic's emergence. This has been a win-win situation for both consumers and businesses.

According to the Malaysian Investment Development Authority, small businesses and entrepreneurs have seen barriers to accessing larger and more robust markets recede greatly as more business owners leverage technology and global marketplace platforms to reach consumers through new methods. Not only is this cost-effective for business owners to compete in global markets, but consumers are also able to browse through more products at various competitive price points due to this ease of accessibility at many online storefronts.

E-commerce's future in Malaysia is bright, given the country's attractive market base that is already strongly attuned towards digital technologies. According to the United States' International Trade Administration, 80% of the nation's population were active internet users (27.4 million) as of 2021 with a high mobile penetration rate of 84.2%. Malaysia's e-commerce market is also projected to reach USD12.6 billion by the end of 2024. These statistics prove that e-commerce's large influence in Malaysia will only grow larger over time.

The Malaysian government is also supporting incentivising a strong digital economy through various initiatives. Not only has the government initiated the Digital Free Trade Zone to catalyse the nation's booming internet economy and export of Malaysia's SMEs through e-commerce, but the Malaysia Digital Economy Corporation has also set up the Malaysia Digital Status programme so that eligible businesses may get exclusive incentives to help them thrive in the digital economy ecosystem.

In addition, the use of e-money for online transactions has also improved drastically. Bank Negara Malaysia's findings show that e-money payments have recorded double-digit growth within the few years and that e-wallet transactions have skyrocketed during the pandemic. These are all proof of e-money's growing usage among citizens. This development makes sense when you consider the strengthening of digitalisation among SMEs through e-commerce and adoption of innovative technology, as outlined among the Five Thrusts of the Malaysia Productivity Blueprint.

Given these promising market outlooks and strong governmental support for digital economy, PUC remains determined to tap into the unlimited potential of the digitalised ecosystem of products and services to grow as a business and become a strategic digital market player. PUC's strategy going forward includes propagating the following:

01 **Expanding** of Channel Partners

02 **Providing** Unlimited Products Offerings

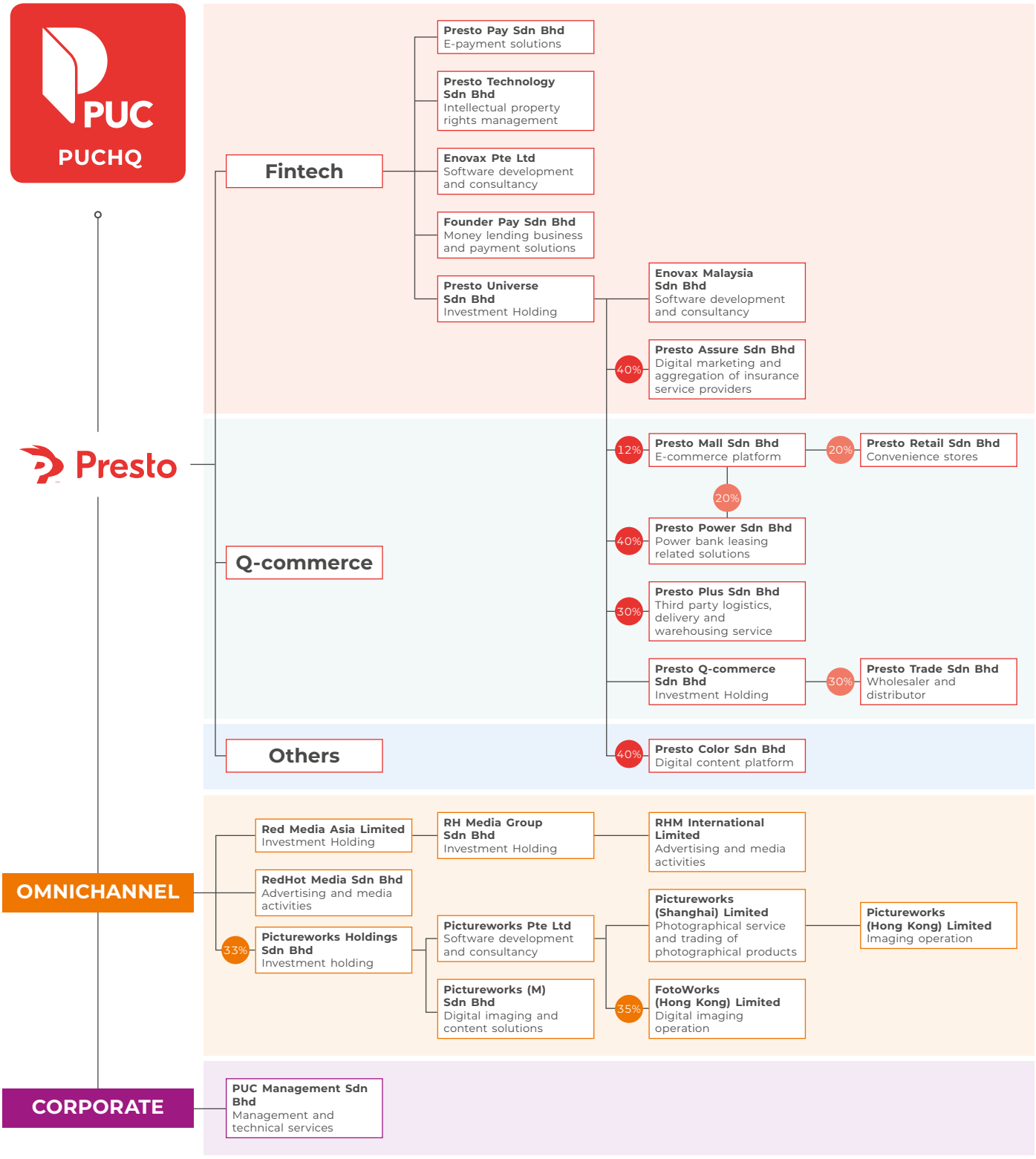
03 **Growing** Presto Members

04 **Achieving** GMV

05 **Ensuring** Product Profitability

Group Corporate Structure

AS AT 31 MARCH 2023

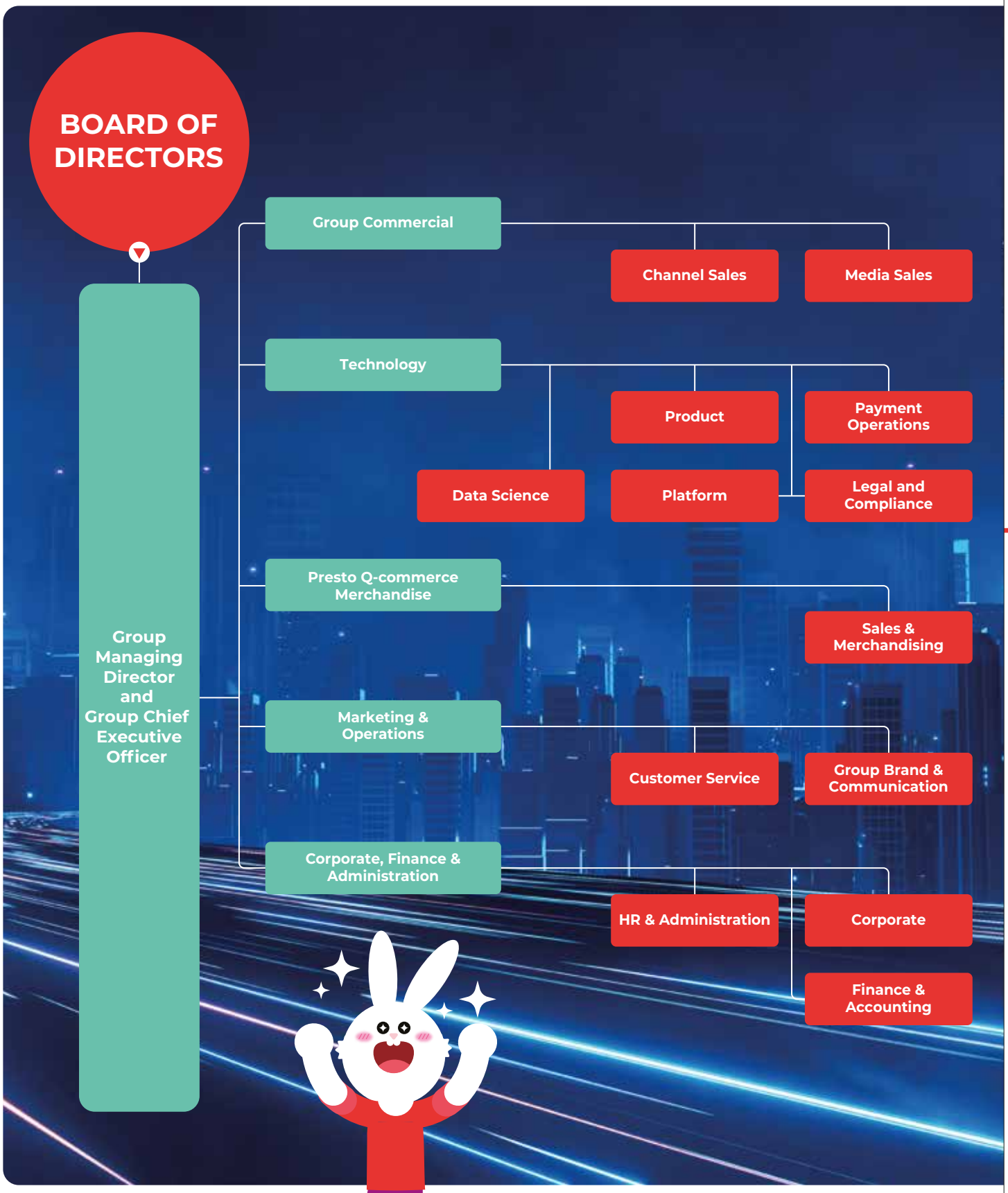


Notes:

1. 100% direct or indirect owned subsidiary, unless indicated in the chart
2. Corporate structure shown in this page is not inclusive of all entities. Please refer to notes to the financial statements on pages 152 to 157 of this Annual Report for more details on the corporate structure

Group Organisation Structure

AS AT 31 MARCH 2023



Chairman's Statement

Dear Shareholders,
On behalf of the Board of Directors ("Board"), I am pleased to present the annual report and audited financial statements of PUC Berhad ("PUC" or the "Group") for the financial year ended 31 December 2022 ("FY2022").

Global and domestic economies began to recover well from the COVID-19 pandemic situation in FY2022. Malaysia especially saw the reopening of all its economic sectors in April and May 2022 onwards after successful vaccination efforts, as the country transitioned to the endemic phase of the COVID-19 virus.

However, as businesses still recovered from the pandemic, new situations in the forms of inflation, local mass floods and recession fears saw businesses, including PUC, face new types of operational challenges in FY2022 to overcome.

DATUK OH CHONG PENG
CHAIRMAN

"PUC shall continue exploring strategic investment opportunities via partnerships and joint ventures that purposefully expands the Presto digital ecosystem and opens us up to more target audiences."

PUC responded to these unpredictable situations by staying true to its fundamentals of digital-based business products while making strategic adjustments in its operations and ongoing expansion plans to maintain the sustainability of its business.

Furthermore, with multiple existing partners already with us and consistent attempts at getting more partners to join us, PUC saw the opportunity to develop a loyalty aggregation redemption app for users of different loyalty programmes to unite in Presto, a single e-commerce platform with a multitude of services and goods. Ultimately, PUC's flexibility and forward-thinking capability has strengthened the Group's determination against FY2022's various challenges.

In FY2022, PUC recorded a total revenue of RM19.25 million, a 17% decrease compared to FY2021's RM23.27 million revenue. The Group loss before tax also decreased, with the Group recording RM53.56 million loss after tax in FY2022 compared to RM62.43 million in FY2021. This lower loss after tax was due to better cost control of Presto's related expenses and lower impairments during the financial year.

The Omnichannel's reduction in revenue generated was mainly due to low revenue from the regional advertising business resulting from PUC's shift in business focus towards Presto more. Therefore, Presto saw its revenue increasing year-on-year, which is also due to the system development carried out over the years that is now being monetised.

OUTLOOK AND PROSPECTS

The Malaysian Ministry of Finance (**"MOF"**) supports the notion of positive economic growth in Malaysia with a GDP growth projection of between 4% and 5% in 2023, according to MOF's Economic Outlook 2023. This economic growth projection on global and domestic levels supports PUC's future plans of more regional expansion, digital ecosystem development and reinforcing strategies to leverage on key business opportunities.

PUC shall continue exploring strategic investment opportunities via partnerships and JVs that purposefully expands the Presto digital ecosystem and opens us up to more target audiences. Regional expansion also factors into this plan. With the help of existing partners, PUC looks to recover from the pandemic's disruptions by ensuring strong internal infrastructures are in place before fully venturing into overseas partnerships and expansion opportunities.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board, I wish to thank our local and international business partners, shareholders, dedicated employees and other relevant stakeholders for their consistent support of PUC amidst this unpredictable period. I also thank the Board members including those who have left the Board during FY2022, namely En. Wan Hazreek Putra Hussain Yusuf and Ms Lee Bao En, for their solid commitment in steering the Group through FY2022. I also sincerely welcome the new Board members who joined us since the last Annual Report, namely Mr Fong Yew Meng, Mr Ng Say Beng, Dato' Sri Adnan Bin Wan Mamat and Mr Ooi Kah Hoe.

DATUK OH CHONG PENG
CHAIRMAN



Group Managing Director and Group Chief Executive Officer's Message

CHEONG CHIA CHOU
GROUP MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

In FY2022, PUC recorded a loss after tax (**"LAT"**) of RM53.56 million (FY2021: RM62.43 million) which reflects ongoing cost optimisation efforts as we develop the Presto digital ecosystem platform and strengthen the synergy of our businesses to centre around this all-in-one digital services platform. These efforts aim to instil PUC with sustainable success by endeavouring to reach more target market segments.

The Omnichannel segment remained on a transitional phase towards outputting more digital marketing services as more digital media and advertising packages continued to be promoted under the Presto segment in FY2022. Traditional media will remain as an important pivot for the OmniChannel.

Due to the continued shift from traditional to digital media and advertising, the Omnichannel segment recorded a lower revenue of RM12.15 million in FY2022 compared to the previous year of RM19.37 million. On the other hand, PUC has continued prioritising Presto digital ecosystem's ongoing expansion, which has incurred further software development costs alongside the marketing costs of Presto. This has seen Presto recording an increase in overall revenue to a total revenue of RM7.10 million in FY2022 compared to FY2021's revenue of RM3.18 million.

PUSHING A ONE-STOP SOLUTION IN A DIGITAL ECOSYSTEM

While the pandemic has accelerated the online-centric economy as e-commerce, food deliveries and online payments becomes the new normal, this phenomenon can be said to be a part of a larger digital ecosystem that is beginning to expand into many areas of people's lives. From online teleconferencing and remote work options to robust entertainment streaming options and extensive social media communications, consumers are embracing the accessibility and convenience of the digital landscape more so than ever, creating a culture that increasingly rivals the quantity and experiences of physical interactions.

The pervasive digital ecosystem has seen many new and current businesses adopt digitalisation as their primary business model. This is also supported by the Malaysian government. Digitalising operations across Malaysia's major industrial sectors will be decisive to securing the nation's future in the global economy. The Malaysian government even launched the MyDIGITAL initiative to drive Malaysia's transformation into a high-income digital-savvy regional frontrunner in the digital economy by 2030.

This initiative is already strongly supported by a vibrant demand and customer base for online goods and services, which has accelerated further since the pandemic emerged. As of January 2021, there were 28 million social media users and 39.99 million mobile connections in Malaysia from the total Malaysian population of approximately 32-33 million citizens.

Most Malaysian shoppers shop via mobile phones and other digital devices. About a third of Malaysians still shop through social media platforms like Facebook and Instagram, besides perusing well-established marketplaces and e-commerce platforms. Some of these popular online purchases include flights, hotels, food and beverage, music, and used items.

While the rate of digitalisation post-pandemic has mostly remained intact, PUC acknowledges that the reopening of borders has had an impact on e-commerce with more people able to physically do their daily routines and travelling.

Not only does PUC need to balance leveraging the rising universal nature of digital propositions across sectors and services while also accounting for the increased normalcy of physical activities in society, the Group has to accomplish this while also enlarging its community to become more vibrant and permanent by allowing services to grow together. It is in this interesting Venn diagram-like space where PUC intends to operate, and the Group has homed in on loyalty points and redemption service aggregation and delivery as its niche business segment that can fruitfully resolve this strategic conundrum.

In the grand scheme of things, the Presto App has already expanded greatly to cater to the growing digital ecosystem that many people are adopting. This has leveraged the strong uptrend of the global financial technology (**"fintech"**) industry through big strategic investments that heavily focus on loyalty points delivery and aggregation, e-commerce, e-wallet, financing and payment solutions. This is supported by 2022 being an exciting year for the Malaysian fintech industry due to booming customer adoption, favorable new regulations, and a 5-year national digitalisation plan.

However, the further refocus on expanding our loyalty points services aggregation and delivery presents a great opportunity for PUC to continually empower and introduce a holistic one-stop digital solution that feeds successfully into the various market needs of the digital ecosystem.

Delving heavily into loyalty points aggregation and redemption involves providing existing and new users a catalogue of loyalty programmes so that users can consolidate their loyalty points and product redemption via our Presto platform. Users can use multiple loyalty points on Presto. This expansion feeds into our trajectory towards becoming a super loyalty points e-commerce app that houses many loyalty programme partners and which retains Presto's growing marketplace community by utilising its family of digital services to synergise with the rewards from loyalty points.

For instance, users who had already signed up with BonusLink and AirAsia rewards can spend their loyalty rewards to shop in Presto. This unique payment method allows Presto members to spend wisely using their respective loyalty rewards or in combination with other payment methods available to pay for a wide variety of products and services offered in Presto.

Therefore, pivoting more towards the loyalty programmes segment capitalises on the rise of digitalisation while not being significantly affected by the gradual return of society to physical activity as loyalty points operate to add value that goes beyond pure digitalisation prospects. Moreover, aggregating multiple loyalty points programmes at Presto and connecting loyalty rewards to various other Presto features bring in, and better retain, new consumer bases in the Presto digital ecosystem.

EMPOWERING STRATEGIC PARTNERSHIPS

PUC continues to focus on strategic JVs in businesses that help strengthen the core of the Presto digital ecosystem through enhancement of its services, as well as improving community reach and retention.

Regarding our loyalty points redemption services, companies such as AirAsia, BonusLink, and Plus Miles have partnered with us in order to offer alternate payment methods in the Presto app itself through the usage of loyalty points. In fact, certain loyalty apps already redirect to the Presto app for loyalty redemption.

The management continues to seek more business partners to be part of the loyalty points programmes to make Presto the top loyalty aggregation redemption app.

CHARTING OUR NEXT PHASE IN THE DIGITAL LANDSCAPE

While the global economy is currently on a post-pandemic recovery mode, the recovery of the global economy has faced some challenges. Geopolitical instability, global inflation and recession fears are the main factors affecting economic growth globally as well as the Malaysian economy. However, economic and industry prospects look optimistic in FY2023 with strong forecasts of Malaysia's economic rebound and global growth on the horizon.

PUC's digital infrastructure that had begun development since before the pandemic has been greatly accelerated since the pandemic's appearance, with numerous projects and partnerships taking advantage of this digital trend in the past few years. PUC also has a positive view of the Malaysian government's measures for digital-related implementations to further enhance the country's economy and bring back investor confidence. This would ultimately help PUC grow its business as there will be more transactions involved via a robust Presto community.

While we did not manage to obtain a digital bank license from Bank Negara, we expressed interest in revisiting our journey should the central bank offer the opportunity for more digital bank licenses in the future.

While PUC continues to primarily focus on plans that capitalise on e-commerce and fintech industries which are rapidly expanding, the Group is also extensively leveraging on one of its strongest niche business offerings in order to position it as one of our core revenue drivers going forward. This niche business segment, as mentioned previously, is loyalty and redemption programmes and services.

In continually building up our niche segment of aggregating and delivering loyalty points and redemption services into FY2023 and beyond, PUC is focusing on establishing business partnerships with brands and other e-wallets by providing loyalty points redemption as an alternative payment method to consumers while at the same time bringing in user traffic into the Presto digital ecosystem.

This would allow PUC to generate stronger revenue in the future via collection of payment transaction fees, chargeable from processing the payments through the Presto digital ecosystem. We expect our growing loyalty points service and delivery segment to significantly improve and eventually

become one of PUC's core revenue drivers in the future. We are also undergoing significant internal restructuring to refocus resources and talent into driving the upcoming plans under the loyalty and redemption programmes segment.

We also hope to expand our loyalty points and redemption services further into Singapore and other countries soon to create a global value chain that involves cross-border payment and shipment.

On the other hand, PUC is consistently sourcing for a wider variety of products regionally, aiming to serve the needs of rising customer demand while striving to achieve the level of profitability to sustain the business growth. Similarly, we remain confident in our ability to continue driving growth and delivering value to our shareholders through our commitment to provide a seamless and convenient shopping experience for all.

This is largely because the Presto digital ecosystem is set to flourish immensely under the increasingly-growing digital ecosystem that has not only captured the middle market, but has also begun to penetrate high-end consumer markets. This is evident by online luxury sales expected to triple as a proportion of the total global luxury market sales by 2025, reaching US$91 billion. This proves how rapidly the online economy model is expanding to many consumer groups, which bodes well for PUC's well-established digital presence to tap into a larger consumer base with more purchasing power going into FY2023.

In pursuit of our future plans, we are determined to continue fortifying our end-to-end one-stop digital ecosystem encompassing loyalty points aggregation and delivery, fintech, e-payment, e-services aggregation and e-commerce offerings to not only empower businesses especially small and medium-sized enterprises to maximise their profits, but to also encourage a broadening audience base for Presto that maximises the various pivots made in the digital ecosystem to remain in Presto and get the best out of it.

The Group's Omnichannel segment continues to undergo relevant transformation to mitigate the effect of traditional media's decay in the marketspace. This is done by integrating alternative digital media services alongside the traditional offerings to capture our clients' shifting demands towards online marketing and advertising.

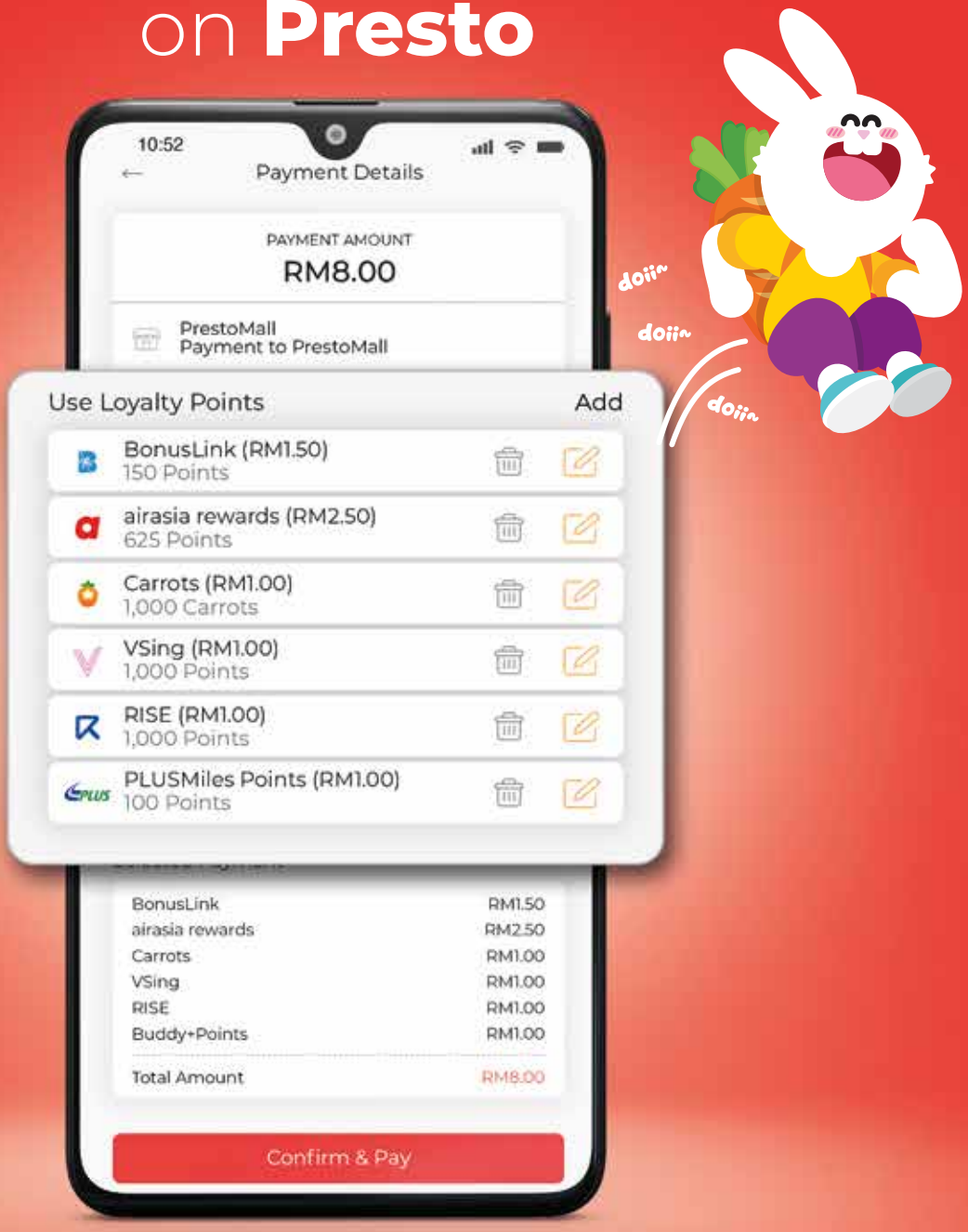
Utilisation of the Presto e-commerce platform for inclusion of media spaces would enable PUC to generate media and advertising revenue with higher margin, while ensuring clients can reach their target audience effectively. On the other hand, the media and advertising business will remain an important revenue stream of the OmniChannel business segment.

Despite FY2022's unprecedented challenges, the Group's digital-centric trajectory of getting Presto to become a significant digital ecosystem player in the region remains unchanged since the beginning. In keeping up with the changing tides of digitalised services, PUC will continue to strategically fine-tune its business processes and approaches to find more niche segments, like the loyalty points programmes aggregation and delivery, that we believe can help PUC grow in the near future.

We strongly believe that this strategy is sustainable, scalable and replicable to garner PUC a positive cash flow in FY2023 and beyond. Further details on global and domestic outlooks and PUC's prospects in the coming year can be found in the Management Discussion and Analysis section.

CHEONG CHIA CHOU
GROUP MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Unlock the ***FULL*** Potential of Your Loyalty Rewards on **Presto**



Hop onboard with Presto and start enjoying the ***Highway of Rewards*** today!

rewards · BonusLink EVERYDAY IS A BONUS · GrabPay · RISE BEYOND · CARROTS · Boost · eFMX EXTRAORDINARILY FAST · LATITUDE PAY · PLUSMiles · Touch 'n GO eWallet · VSING

CONNECT • REDEEM

COMBINED REACH OF >10 MILLION MEMBERS



Aggregating multiple loyalty points for redemption via Presto Online & Offline Ecosystem with a **wide variety of products** and **services** to redeem in **REAL TIME**.

Sustainability Statement

PUC Berhad ("PUC" or the "Group") remains progressive in integrating sustainability into all parts of its business operations. This is more prevalent than ever given rising market volatility in recent years that has been brought upon by the COVID-19 pandemic, the Ukraine-Russia conflict and rising commodity prices. Industries worldwide are aggressively prioritising sustainability for long-term feasibility, and thus PUC strives to continue developing transformational technology and digital services for its customers while maintaining sustainability in conducting its business in order to fortify steadfast decision-making and development capacities.

Beyond financial performance, PUC's mission to "Enrich Lives Everyday" drives the Group to achieve a balance that galvanises economic development and stakeholder interest, while also positively impacting surrounding communities and the environment.

Thus, PUC strongly advocates business transparency, corporate social responsibility and sustainability management, which is why our Sustainability Statement for 2022 (**"SS2022"**) discloses Group-wide sustainability initiatives and management approaches in the governance, economic, environmental and social areas, with key achievements and highlights shown.

The Group endeavours to observe transparency, accountability and reliability in stakeholder engagements towards implementing long-term sustainability. This would also help PUC to garner feedback and insights on addressing and prioritising material Economic, Environmental and Social (**"EES"**) matters, which is crucial to continually evolve the Group into a more holistic business entity. As PUC enters its fifth year of integrated reporting, we remain determined to continue enhancing our sustainability journey moving forward.

SCOPE & MATERIAL BOUNDARY

SS2022 is scoped for the Group's business operations and activities as well as all major subsidiaries within the Group. Outsourced activities as well as activities and operations of joint venture companies are excluded, unless mentioned otherwise.

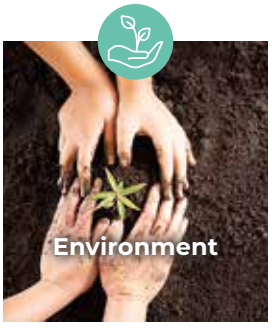
PUC remains aware of possible EES impacts on its value chain and is committed to cascading its sustainability commitments, policies, practices and culture to its external business partners, suppliers and contractors. We aim to report on our value chain partners' EES highlights in future sustainability statements.

We exercise a "local-where-we-operate" practice. Our boundaries are determined based on the prioritisation of our materiality aspects and topics, as well as the Global Reporting Initiative's (**"GRI"**) Reporting Principles for defining report content and report quality.











STATEMENT OF USE

PUC's Board of Directors (**"Board"**), our highest decision-making body, acknowledges the following statement of use: The information reported by the Group for the financial year ended 31 December 2022 (**"FY2022"**) is prepared in reference to GRI Standards.

REPORT QUALITY & DATA ASSURANCE

The GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness guide our report content and quality. All data contained within this report has been sourced internally and has been verified accordingly by the respective business units or information owners. We are constantly improving data quality and accuracy to strengthen disclosures going forward.

The content in this report has been determined based on stakeholder views, internal assessment of material topics and risks factors, as well as emerging trends and opportunities within PUC's operating environment.

For a more comprehensive perspective of the Group's business performance and how sustainability continues to be a principal driver for PUC's value creation strategies, readers are highly recommended to read this report together with the PUC's Annual Report 2022 (**"AR2022"**).

STATEMENT OF ASSURANCE

PUC has undertaken independent auditing and assurance for relevant financial data displayed in this report, which can be referred to in our Financial Statement. However, PUC has not garnered any third-party assurance for its non-financial data. PUC has instead garnered internal assurance of non-financial, sustainability-related data from Management and the respective data owners. We aim to garner external assurance for non-financial and sustainability data in the near future.

REPORTING PERIOD

The reporting period for SS2022 is from 1 January 2022 to 31 December 2022, unless specified otherwise. SS2022 provides comparison statistical data for certain disclosures to establish trend lines where necessary and to enable readers to better track and understand the comparative performance achieved.

REPORTING REFERENCES AND GUIDELINES

PUC prepared its sustainability statement according to the following frameworks and guidelines:

- Global Reporting Initiative Sustainability Reporting Standards (**"GRI Standards"**)
- United Nation Sustainable Development Goals (**"UNSDGs"**)
- Bursa Malaysia's Sustainability Reporting Guide Second Edition

LIMITATIONS

PUC remains aware that data-gathering challenges still exist for certain indicators. We are continually applying more robust data tracking and gathering mechanisms for improved reporting going forward.

We will be considering the feasibility of including value chain related data in future reports. This includes data related to impacts that occur outside of the organisation, but which PUC may directly or indirectly be contributing towards in a significant manner.

FORWARD-LOOKING STATEMENTS

Our Sustainability Statement contains forward-looking statements i.e. plans, targets, prospects and expectations reasonably devised in terms of expected performance output.

As our forward-looking information was derived based on currently available data and information as well as present operating environment conditions, it may change based on unforeseen circumstances beyond our control. Therefore, we advise readers to not place undue reliance on such forward-looking statements as our business is subject to risks and uncertainties. Actual results may differ.

Sustainability Statement (cont'd)

REPORT AVAILABILITY

SS2022 can be downloaded from the PUC Group corporate website at https://www.puc.com/. Limited printed copies are available towards minimising our paper consumption and thus reducing environmental impact.

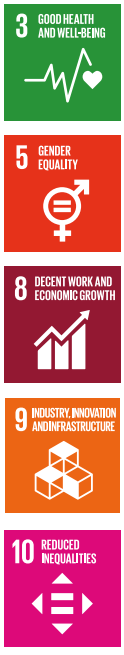
FEEDBACK

PUC's agenda of fostering continued engagement with stakeholders and facilitating continuous improvement involves welcoming feedback, comments and suggestions, which can be sent to:

Sustainability Committee
Unit C-2-01, Level 2, Capital 3, Oasis Square,
No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A,
47301 Petaling Jaya, Selangor
Tel : 603-7651 0188
Email : info@puc.com

FY2022 HIGHLIGHTS AND ACHIEVEMENTS

5 United Nations Sustainable Development Goals adopted



GOVERNANCE

100%
Of Group employees are briefed on the Anti-Bribery and Anti-Corruption Policy

Zero
Confirmed incidents of corruption reported

Zero
Fines or censures received for any social environmental regulatory non-compliance

ENVIRONMENTAL

122,252 kWh
Total Electricity Consumption

260 m³
Total Water Consumption

RM66,551
Total Electricity Bill

ECONOMIC

RM19.25 million
In Revenue Received

RM9.37 million
Distributed in staff costs

RM1.01 million
Distributed in EPF and SOCSO (and other staff contributions)

Zero
Data privacy breaches incidents recorded

SOCIAL

80
Total Workforce

53%
Women in the Workforce

38
Total New Employees Hired

100%
Of Employees Received Annual or Regular Job Appraisals

1
Community Development Initiative Conducted

UNSDGS

The world continues to rapidly expand in scope, with its population already reaching 8 billion as of November 2022 and expected to reach 9.7 billion by 2050. This huge population expansion introduces and fast-tracks more complex global issues such as climate change, poverty and ongoing urbanisation. The COVID-19 pandemic's global disruptions and recent geopolitical conflict in Europe only serve to hasten these issues.

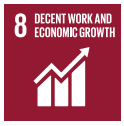
PUC remains resolved to contribute towards mitigating these issues in its own way, which is why our ongoing UNSDGs journey remains a key part of our sustainability agenda, which we began in FY2019. PUC has adopted 5 UNSDGs so far, as aligned to our corporate and business values, to better identify how the Group's business model inherently realises value creation and how this can help address global issues or challenges. Our UNSDG adoption continues to realise a larger role for PUC beyond its for-profit business entity, which is that the Group can also play a meaningful role in addressing pertinent issues towards developing a better future for individuals, families, communities and the country.

Beyond adoption of goals, PUC will continuously enhance its UNSDGs adoption at the target-setting level, where possible, to truly align its sustainability strategy to global issues and to deliver the optimum positive impact.

Following is a snapshot table of how the Group has linked its sustainability efforts to its adopted UNSDGs:

UNSDGs	Results and Achievements	Future Targets / Initiatives Related to UNSDGs
	• The good health and safety of employees are aspects that PUC always places emphasis on, even as we transition into a post-pandemic norm. • Provided a medical card and health insurance for all employees so that they can cover the cost of hospitalisations or yearly medical check-ups. • Maintained relevant COVID-19 preventative measures at work premises to avoid viral infections from occurring in the office. • Issued multiple memos and e-mails to employees to ensure that they stay alert on the COVID-19 situation and developments, as well as the safety protocols when an employee is a suspected or confirmed case. • Zero fatalities occurred in the workplace.	• Organise more health-related employee engagements and community development activities. • Provide regular reminders and communication with employees to ensure their physical and mental health are in check. • Ensure stronger occupational health and safety protocols are in place.
	• We implemented our whistleblowing mechanism and other strict policies that prevent any workplace harassment and bullying from occurring with our employees, especially female employees. • We continually cultivate an inclusive workspace that promotes a safe and productive workspace for male and female employees to equally thrive in. • Our recruitment process is open to both men and women equally, and we always assess candidates fairly based on merit. • 53% of PUC employees are women.	• Continue to expand more leadership roles for women in the workplace. • Continue fostering fair and equal labour practices. • Fortify ongoing safety measures for women in the workplace.

Sustainability Statement (cont'd)

UNSDGs	Results and Achievements	Future Targets / Initiatives Related to UNSDGs
	• Employees are given equal opportunities to perform tasks they are entrusted with. Whenever a particular role is vacated, existing employees with equal capabilities will be groomed to take over the role over time. We have done internal promotions in some departments within the Group. • We continued delivering financial and non-financial value for stakeholders, including revenue, dividends, employee remuneration, statutory payments to the government and more.	• To bolster entrepreneurial opportunities for younger entrepreneurs through our digital business propositions. • Entering potential new sectors via innovative services consistent with PUC's value creation strategies.
	• PUC's venture into the digital business landscape since 2017 has bolstered the company's sustainability, more so during the the emergence of the pandemic. • PUC's inherent business model involving technology and digital businesses has seen the Group constantly improve in its ability to innovate and enhance the service offerings on its digital platform, especially the Presto digital ecosystem. • Apart from the existing digital businesses which include e-commerce, e-wallet and a wide range of digital services, the Group has also teamed up with other partners to offer a fully integrated and digitalised order-to-delivery solution to help boost the local food and beverage industry.	• Remain diligent in innovating on current digital products and services to better serve the needs of customers and business owners. • Contribute to more transparent knowledge-sharing initiatives of our digital ecosystem initiatives among industry peers.
	• PUC continues to endorse a positive and diverse work culture where all employees of different backgrounds and ideas are allowed to exhibit their full potential. • The Group has worked to further reduce inequalities regarding job, recruitment and ideation opportunities in PUC. Recruitment processes are handled without bias and merit is used in determining the best candidate for the job scope. • Made our digital products and services increasingly accessible for all income levels and business backgrounds to utilise, whether it is as a customer or a business owner.	• Endevaour to further close the gender remuneration gap between male and female employees • Collaborate with external training partners to provide skills development programmes for all genders.



GOVERNANCE

SUSTAINABILITY COMMITTEE ("SC")

Sustainability is governed at the highest level by the Board. The Board also discusses and approves important updates and / or the creation of current and new sustainability policies, activities and other initiatives.

The Board and SC are guided by the Malaysian Code on Corporate Governance (**"MCCG"**) when it comes to governance, and are thus aligned with the MCCG's new 2021 updates which the Board actively took note of with revised PUC Terms of Reference for all Board committees as well as the Board Charter. All revised guidelines have been adopted based on the relevant effective date. PUC's current sustainability governance structure is at this infographic shows:



At the core of the Group's sustainability reporting endeavours is our strong values and commitment to diversity and inclusion, which is reflected in PUC's SC that houses a diverse assembly of individuals from various departments and backgrounds. SC members are tasked with overseeing all matters relating to sustainability domestically and regionally.

Currently, the SC consists of Mr Cheong, the Group Managing Director, representing the Board, and other members from the working level in the Group. However, sustainability matters discussed at the Board level will largely revolve around the economic and social aspects of our ESG approach.

The reopening of economic and social sectors when the Malaysian government announced that the country was entering the endemic phase of the COVID-19 situation has bolstered the SC's preparations to implement its planned sustainability-related changes and activities.

Please refer to the Group's Corporate Governance Overview Statement (**"CG Statement"**) section of this report for more information. Our CG Statement covers detailed disclosures related to PUC's corporate governance. Our corporate governance disclosures can also be found on our website and are available for viewing at https://www.puc.com/ under the "Investor Relations" tab.

BOARD ON SUSTAINABILITY RISK MANAGEMENT

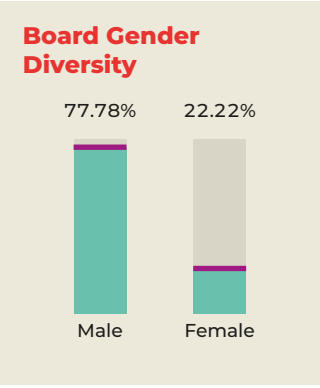
The Board maintains a robust risk management framework as well as internal control systems to safeguard PUC's assets, business, and our shareholders' investment. The Board ensures the integrity of these frameworks and internal control systems are maintained through regular reviews and ongoing risk management updates.

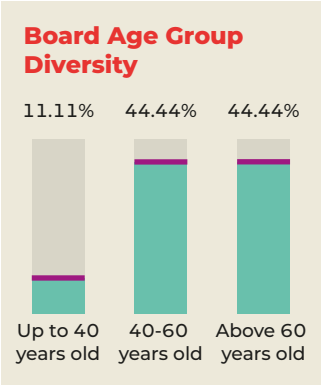
These reviews are regularly performed to identify, assess and manage the risks faced by the Group. Reviews are done holistically so that they also address major risk areas of concern in the sustainability landscape, such as those from the areas of governance, social, economic and environmental risks. Identified sustainability-related risks are updated in a timely manner in our risk register as and when appropriate and according to macroeconomic trends. Sustainability and strategy policies are then formulated from identified sustainability risks to ensure business continuity for the Group in the event of unexpected circumstances.

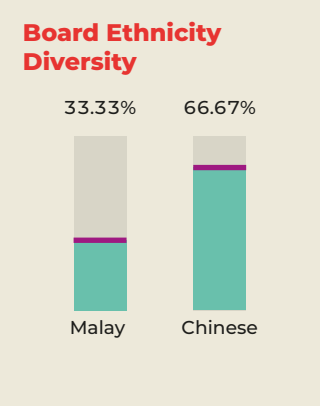
More details can be found in our full Statement of Risk Management and Internal Control in AR2022.

DIVERSE BOARD COMPOSITION

PUC endeavours to foster diverse leadership perspectives. We continually make efforts to ensure the Board consists of individuals with diverse professional backgrounds, skills and competencies to contribute to a comprehensive think tank and decision-making body. More details can be found on our Board Charter available at https://www.puc.com/. PUC's FY2022 board composition as of 31 December 2022 is shown below:







PROACTIVE APPROACH TO SUSTAINABILITY

PUC always approaches sustainability through careful selection of relevant initiatives that potentially have a local and global impact that resonates with the Group's business as well as directly provide value to surrounding communities and the environment.

We continue to ensure our sustainable business processes adhere to internationally recognised standards like the UNSDGs, GRI and other pertinent standards. PUC always considers the social and economic impacts of its business strategies and how they may positively impact society and eventually contribute to the Group's sustainability.

STRONG ANTI-CORRUPTION AND ANTI-BRIBERY

PUC maintains a zero-tolerance approach to bribery and corruption within the Group's organisation and across its supply chain, which is primarily supported by the introduction and continued adherence of our Anti-Bribery and Corruption (**"ABAC"**) Policy which came into effect on 1 June 2020, in accordance with the Malaysian Anti-Corruption Commission Act 2009 and the Prime Minister's Department Guidelines on Adequate Procedures.

The Board has oversight of the Group's zero-tolerance approach to all forms of bribery, corruption and unethical behaviour, and therefore leads the development and implementation of anti-bribery and anti-corruption policies and practices at the top decision-making level. The ABAC Policy also details a reporting guide that states that any incident related to anti-corruption will be communicated to the Board.

Our ABAC Policy details that our organisation is liable if found to be engaged in corruption, bribery or any other related acts. This liability covers individuals and groups under the Group, including directors, managers, employees, workers and third-party partners.

The Board periodically reviews the ABAC Policy, and therefore the ABAC Policy's guidelines may be updated when needed to reflect any changes in current trends, laws or our business practices. The full ABAC Policy can be read on our website at https://www.puc.com/.

100% of Board members and 100% Management personnel have confirmed their receipt and understanding of anti-corruption policies. An internal auditor engaged by the company also reviews our operations annually, including anti-corruption matters. 100% of PUC employees have had the ABAC Policy communicated to them.

The Conflict of Interest (**"COI"**) Policy was also sent to all employees within the Group prior to the implementation of the policies on 1 June 2020. All employees have subsequently acknowledged that they have read, understood and agreed to comply with the policies and guidelines. This also applies to newly-hired staff joining the Group after the policies were implemented.

A copy of the policies as well as related documents (COI Policy and Third Party Due Diligence SOP) have been published on PUC's internal portal where all employees have access to it. The policies were audited by Governance Advisory.com Sdn Bhd. No specific recommendations were introduced by the auditors in regards to the policies. Supply chain partners must also acknowledge receipt and compliance with our ABAC Policy and other related policies and laws, which are attached to business contracts with them.

No identification was performed in regard to any of PUC's departments having a high possibility of corruption risk. Nevertheless, no confirmed incidents of corruption were recorded in FY2022.

APOLITICAL STANCE

PUC continues to retain its position as an apolitical organisation. Any politically-linked major contribution or sponsorship that might be made will first see the Group undergo a strict and transparent process which includes getting the Board's approval on the matter. However, PUC may occasionally take part in CSR-driven charitable events that are government-organised or hosted by a public entity.

CODE OF ETHICS

The ABAC Policy complements our Code of Conduct and Ethics (**"CCE"**). The CCE cultivates good business practices and ethical workplace behaviours to foster a healthy organisational culture at PUC.

The CCE clarifies what is expected of all employees in terms of good business conduct and stipulates how employees are expected to maintain the highest degree of integrity, exercise proper care and judgement, avoid conflict of interest situations and refrain from misappropriation of any kind. The Board will review the CCE when needed to ensure its continual effectiveness at all times. More details on the CCE can be found at https://www.puc.com/ under the "Governance & Sustainability" tab.

WHISTLEBLOWING MECHANISM

A high standard of transparency and accountability in corporate governance is observed at PUC. This stance is bolstered by our whistleblowing mechanism which is supported by our Whistleblowing Policy.

Anyone who works at PUC is encouraged to bring their worries, complaints or alleged reports of any workplace malpractices, misbehaviours or corruption, provided they are reported in good faith.

The contact details of the Receiving Officer where a whistleblowing report can be made are as follows: whistleblow@puc.com. Alternatively, a whistleblowing report may be reported verbally or in writing to a superior or the Human Resource (**"HR"**) department. PUC ensures that the reporting employee's identity will remain confidential without the fear of being harassed, demoted, or experiencing any sort of victimisation.

All complaints received by the Receiving Officer will be reported to the PUC Group Chief Executive Officer. Whistleblowing complaints alleging fraud and breaches of corporate governance will be escalated to the Audit Committee and the Chairman of the Board of PUC.

Reported cases will be investigated thoroughly and if found to be of any merit, appropriate action will be taken on the individual responsible for the wrongdoing including a verbal reprimand, supervisory intervention, suspension, termination or even legal proceedings.

More details on our Whistleblowing Policy is available on our website at https://www.puc.com/policies-procedures/. No whistleblowing reports were made during the year under review.

NO GIFT POLICY

PUC also has a No Gift Policy in place, where it is stated that the Group and its employees, directors and any other relevant PUC personnel are not allowed to receive any form of entertainment, gifts or corporate hospitality from any external business partner.

All PUC employees undergo briefings on this policy through internal emails sent by the HR department. All the Group's policies are contained in the internal portal for easier employee reference.

SUPPLY CHAIN GOVERNANCE

PUC ensures good and fair governance and business practices are stringently observed at all times in its supply chain. This is mainly propagated through the introduction of the anti-corruption and anti-bribery provision in agreements with our vendors and suppliers (including the full ABAC Policy for External Parties via https://www.puc.com/wp-content/uploads/2020/05/PUC-Anti-Bribery-and-Corruption-Policy-External-Parties-01.06.2020.pdf) for compliance purposes, as well as the necessary screening of vendors and suppliers by the relevant personnel and / or departments.

PUC maintains a supplier list that is updated regularly. Furthermore, the necessary due diligence on new and existing suppliers and vendors is done by screening them thoroughly prior to engaging them. This ensures that PUC only deals with external parties that follow an acceptable standard of integrity in the conduct of their business.

Due diligence on suppliers and vendors (especially new suppliers and vendors) is conducted based on the Third-Party Due Diligence SOP. The company also ensures that more than 1 quotation must be obtained (depending on circumstances and type of services required) before a vendor or supplier is formally engaged / appointed.

A fair and mandatory performance evaluation is done for existing suppliers to ensure they conform to PUC's supply chain integrity standards. Suppliers failing to meet the specified requirements of the evaluations undergo a deliberation process with the Group, before the decision is made on whether to continue working with the particular supplier.
PUC also endeavours to identify high-risk suppliers in its supply chain, if any, to ensure the supply chain remains stable and uncompromised. To date, zero suppliers have been identified as high-risk through third-party due diligence. In terms of auditing our suppliers, auditors would refer to the list of suppliers for the creditor's ageing review or pick supplier-related documents for further review.

REGULATORY COMPLIANCE

PUC stringently complies with established policies, protocols, government laws and industry standards at all times. Therefore, in FY2022, PUC was not censured or fined by regulatory authorities for non-compliance with environmental and social standards, nor has the Group faced any regulatory action on matters of corporate integrity, anti-corruption and corporate governance.



Stakeholder Engagement

All our valued stakeholders are equally vital to PUC's long-term success, development, sustainability and business continuity. In FY2022, PUC remained regularly engaged with relevant stakeholders as much as possible. Not only was a wide variety of online platforms used to allow us to facilitate stakeholder engagement in a safe manner, but the reopening of all socioeconomic sectors in the country also saw the return of more physical engagements taking place. However, the use of online communication technology has become a permanent staple of the Group's stakeholder engagement efforts.

Regular team meetings continue to utilise online video calls and teleconferences. We also continued to conduct employee engagements via Google surveys when we were under the work-from-home (**"WFH"**) arrangement. In FY2022, we successfully conducted the Annual General Meeting (**"AGM"**).

General meetings continue to be virtual. Shareholders were given the opportunity to ask questions about related transactions as well as other general questions regarding the Group. All questions were answered by the Board and management personnel. The summaries of the general meetings were also posted on PUC's website.

While our stakeholder engagement channels continued to vary greatly in FY2022, our stakeholder engagement table below remains unchanged from the previous reporting year, given the permanent nature of our stakeholder priorities.

Stakeholders	Their Expectations	How We Engage	How We Respond
• **Business partners and their end customers** • **Retail customers**	• Value for money • Ease of dealing • High-quality products and services • Good platform and service design • Timely delivery of products and services	• Regular meetings and communication • Regular visits with business partners • System audits • Online customer service and counter at our concept store • Marketing communications, website, and digital media	• Investment in research and development • Well-trained customer service team and talented designers • Stringent quality assurance process
Employees	• Personal and professional development • Workplace safety	• Performance appraisal • Training • Team meetings • Employee engagement • Company events	• HR policies to promote a conducive work environment, fair employment practices and people development • Occupational health and safety system
Suppliers	• Regular business • Long-term relationship • Clarity of specifications • Timely payment	• Meetings and electronic communications • Purchase orders and agreements	• Establish fair selection process • Pay as per agreement
Government and Regulators	• Regulatory compliance • Taxes	• Inspections and meetings • Circulars and notices • Regulatory filings	• Adhere to the applicable laws and regulations • Maintain the necessary records
Community	• Support for communities • Responsible business operations	• Community development initiatives	• Commitment to corporate social responsibility
Shareholders	• Return on investment • Sustainable business growth • Good corporate governance	• Extraordinary / Annual General Meeting • Investor Relations briefings	• Ensuring good corporate governance practices are in place • Prudent business and financial planning • Risk management



Economic

PUC's consumers continue to significantly benefit from our rapid integration of digital technologies, as digitalisation affords our customers accessibility, convenience and increased productivity in their daily routines. This in turn feeds into PUC's business and economic sustainability. Our business operations also have a larger socio-economic impact as they contribute to the acceleration of the nation's social and economic development.

DIRECT ECONOMIC VALUE CREATED

PUC remained resilient, operationally viable and market relevant during unprecedented operating complexities caused by the pandemic, geopolitical conflict and economic inflation via its increased digitalisation proposition throughout the reporting year. Here is a snapshot of our economic value generated from our business and financial value creation in FY2022. More financial details can be found in the Group Managing Director and Chief Executive Officer's Message in this report.

RM19.25 million in **Revenue**

RM1.50 million in **Cash and Cash Equivalents**

RM181.08 million in **Total Assets**

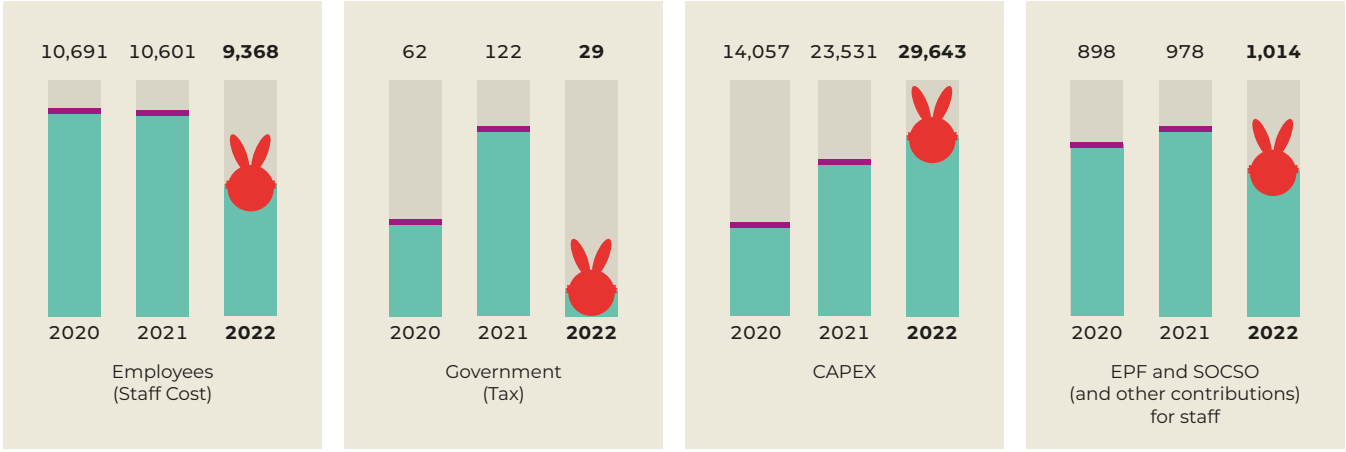
RM170.83 million in **Total Shareholders' Equity**

INDIRECT ECONOMIC VALUE CREATED

Consistent with previous reporting years, PUC continues generating important indirect economic value distributed to its various stakeholders.

Value Distribution Statement

(RM'000)



BUSINESS CONTINUITY

Ensuring business continuity is crucial to PUC's business sustainability. When it comes to its various digital offerings and services, the Group is careful to make sure that refocusing the business towards expanding one particular segment does not mean other existing services and products are abandoned. Synergising all our services and products, primarily through the Presto mobile application, allows PUC to sustain business continuity through cross-promotion, cross-selling, payment gateways and loyalty points redemption in other Presto services.

PUC also understands that a robust crisis plan should be flexible in tackling many types of complex situations that could significantly affect the profitability, integrity and reputation of the Group. This is why the Group's Crisis Management Manual outlines appropriate crisis responses for various scenarios for PUC.

For example, serious crisis may range from workplace crimes or acts of violence, to less serious situations such as malfunctioning computer servers and office tidiness. Crisis may also include external events beyond our control such as climate change scenarios, pandemic situations, natural disasters, geopolitical conflict and more. In tandem with the Crisis Management Manual, the Group's Enterprise Risk Management (**"ERM"**) framework guides the business continuity initiatives of the Group.

We have already updated our Crisis Management Manual to address possible concerns and liabilities that the COVID-19 pandemic may inflict on our business operations, and we continue to remain vigilant in modifying and updating our business continuity plans when needed.

CUSTOMER PRIVACY

As PUC is a digital-reliant business entity that has technology-based propositions, data privacy for customers, employees and other related stakeholders remains important for us. The Group continues to maintain confidentiality of this data by adhering to the Personal Data Protection Act 2010 (**"PDPA"**) as well as continue to bolster our established IT systems and firewalls to safeguard stored data from breaches. Additional data collection and storage precautions have also been instituted in the workplace to further protect customer privacy.

In FY2022, zero substantiated complaints concerning breaches of customer privacy and losses of customer data occurred. Additionally, we had zero data breach incidents in the current reporting year.



ENVIRONMENT

CLIMATE CHANGE

PUC recognised that climate change is a material element that may potentially or actually impact the Group business operations as well as stakeholders. While our business operations are fully digital-based and therefore do not significantly contribute to climate change or environmental impacts, we remain aware of any operational impact that may directly or indirectly cause climate change, such as emissions, waste generation and energy consumption.

Electricity is our key energy source to run our business operations. As such, we recognise that, under the Group's business activities, the electricity consumption in our headquarters may be one of the key contributors to our greenhouse gas emissions.

Nonetheless, PUC is committed to addressing climate change through sustainable initiatives such as the use of energy-efficient and saving lighting, efficient lighting designs and more. Also, PUC did not violate any environmental laws and regulations and was not been penalised or fined for any major environmental violation in FY2022.

While climate change does cause negative impacts, it may also present us with opportunities in terms of recalibrating our business model and strategy, reevaluating materiality matters and mitigating our output of emissions. This has also led us to craft new environmental pledges and commitments that may better address climate change, since we are committed to reducing our climate change impacts and emissions where possible.

ENERGY AND WATER CONSUMPTION

Our employees adhere to simple but important energy-saving protocols at the office, such as:

Keeping the blinds closed during sunny days to keep the temperature down inside the workspace.	Switching off air-conditioners inside meeting rooms when nobody is using them.	Turning off the lights and other appliances in the office when no one is in the office.	Using printers only when absolutely needed, and to print double sided whenever possible.

Given that PUC is a digital-based company, laptops and computers are vital to our operations and are thus some of our office's biggest energy consumers. A functioning, fully-charged laptop has sufficient power to last for at least 8 hours before the next charge. To prevent overcharging laptops caused by laptops plugged into power points all night, our IT Policy outlines significant energy-saving measures for laptop usage. For example, all employees are encouraged to bring their laptops home after work.

Employees are reminded of energy-saving protocols and policies during periodic meetings and all staff inductions. The following chart shows PUC's FY2022 monthly electricity consumption:

Month	C-02-01		C-02-02	
	kWh	RM	kWh	RM
Jan-22	4,825	2,397.80	4,639	2,291.20
Feb-22	4,668	2,434.40	4,890	2,523.90
Mar-22	4,673	2,574.50	4,288	2,361.15
Apr-22	4,871	2,684.20	4,808	2,649.30
May-22	4,349	2,394.95	4,698	2,588.35
Jun-22	5,101	2,811.65	4,864	2,680.35
Jul-22	6,164	3,400.70	4,733	2,607.75
Aug-22	6,787	3,745.95	4,733	2,607.75
Sep-22	6,641	3,665.05	5,339	2,943.55
Oct-22	5,831	3,216.20	4,839	2,666.45
Nov-22	5,321	2,933.55	5,024	2,769.00
Dec-22	5,083	2,801.70	5,083	2,801.70
Total:	**64,314**	**35,060.65**	**57,938**	**31,490.45**

PUC's total electricity consumption is shown here:

Year	FY2020	FY2021	FY2022
Total Electricity Consumption (kWh)	84,819 kWh	128,129 kWh	122,252 kWh
Total Electricity Bill (RM)	**RM36,963.05**	**RM62,729.75**	**RM66,551.10**

Overall, we continue to streamline our operations and processes to enhance energy efficiency.

Water is mainly consumed at PUC's office spaces. As part of our sustainability commitment, the Group continues to closely track and mitigate its water consumption where possible given its importance. In FY2022, total water consumption was recorded at 260 m^3.

In terms of managing water consumption, PUC employees are not only made aware of the importance of saving water but are also highly encouraged and periodically reminded to turn off water-based appliances after use. The Group always remains on the lookout for more ways to save water to reinforce our best strongest water management system.

CONSERVING AND RECYCLING RESOURCES

PUC already remains aligned with the Malaysian government's increasing pivot to a cashless and cardless society via our products and services, especially with our home-grown social marketing platform Presto. Given our 100% digital business, our operations do not produce too much pollution and waste products.

For example, PUC's fully-digital offerings positively contribute to the Group's strong commitment to aid society's transition into paperless transactions and save on valuable natural resources. This is also reflected in our largely-reduced internal paper usage since most company documents like approval memos, HR's staff appraisal forms, reviewing of certain work documents and more are already done digitally.

PUC does acknowledge that electronic waste (**"e-waste"**) can negatively impact sustainability and the environment. We continue to focus on reducing e-waste internally to conserve resources and reduce the energy we draw from natural resources.

Besides reducing e-waste, our company policy also stipulates that company laptops in good condition will be recycled for new PUC recruits to use. Old laptops and equipment are also sold to recover costs and extend the device's lifespan for reuse by other parties. This maximises the use of available and existing resources.

PUC believes that recycling should play a larger role in the organisation to reduce its environmental footprint and foster a greener society. Preliminary discussions on possibly expanding our recycling initiatives have already begun as we investigate more types of waste products to recycle from our operations. A Group recycling policy is also under discussion to be crafted when it is feasible, and PUC may also participate in waste recycling programmes with other entities in the future.



Social

HUMAN RIGHTS AND LABOUR PRACTICES

PUC's employees are a fundamental facet of its ongoing operational success. We therefore endeavour to always cultivate a quality working environment that bolsters employees' effectiveness and productivity.

Guided by international UN standards, internationally-recognised basic human rights principles as well as Malaysian laws and regulations, PUC observes and affirms the human rights standards of its employees in order to build a stronger and more positive Group-wide governance.

These human rights standards are reflected in our established company policies. The Group adheres to the following human rights standards, among others:

- Continuing the prohibition of using child and forced labour
- Maintaining non-discrimination and equal opportunity at the Group
- Fostering a harassment-free and ethical workplace environment
- Respecting the freedom of association and collective bargaining rights
- Complying with local labour laws and legislation that govern working hours, overtime and the minimum wage structure

PUC does not discriminate on age, gender, race, religion, sexual orientation, disability and nationality when it comes to hiring, promotion, rewards and career advancement at PUC. We have a dedicated recruiter who is focused on sourcing and hiring the right people in the right positions. We practice a merit-based approach to hiring and promotion that focuses on employees' skills, capabilities, experience and job performance.

PUC communicates and clarifies its labour standards to employees through various methods including briefings, training, staff inductions, internal memos, staff meetings and our employee handbook. There were zero breaches in these labour standards and human rights-related policies in FY2022.

EMPLOYEE HANDBOOK

PUC's Employee Handbook is in accordance with the Malaysian Employment Act 1955 and outlines new or modified company policies and protocols, details on employee benefits, various grievance mechanisms, employment safety and health SOPs as well as other general working terms at the Group. The handbook is reviewed as and when required to ensure that it remains relevant and updated accordingly. The Employee Handbook was recently updated, effective from 1 February 2023 onwards. Employees who fail to comply with any company policy, protocol and standard will undergo disciplinary proceedings including verbal inquiries, official warnings, job suspension or contract termination.

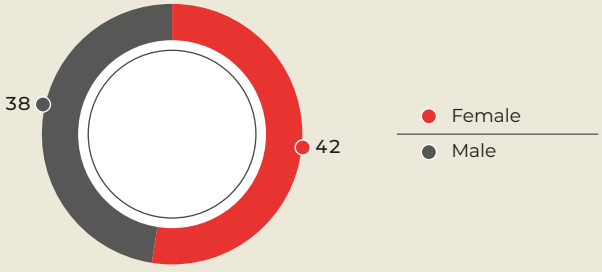
WORKFORCE DIVERSITY AND INCLUSIVITY

PUC's success is consistently attained and reinforced thanks to its robustly diverse and inclusive workforce. Therefore, the Group always seeks new, viable methods to strengthen its current workforce's diversity and inclusivity in various pertinent demographic factors.

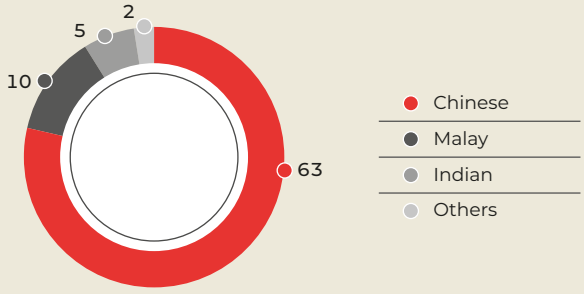
We also acknowledge and celebrate the increasingly diverse nature of our workforce by meaningfully observing all cultural festivals celebrated in Malaysia such as Chinese New Year, Hari Raya, Deepavali and more.

The following charts display our workforce breakdown through numerous demographics:

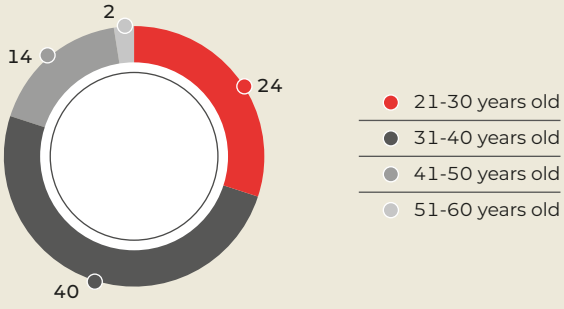
Gender Breakdown of Workforce



Ethnicity Breakdown of Workforce



Age Breakdown of Workforce



TALENT TRAINING AND DEVELOPMENT

As our team plays an integral role in the sustainability and success of the Group, developing and investing in a highly-skilled and talented workforce is one of our top priorities.

PUC's talent development agenda primarily involves encouraging employees to take initiative in their work, as this helps them to grow and learn within the company and subsequently become more invested in the business' success. We also give employees a voice on process improvements, and most importantly, encourage them to strive for a higher position within the company.

Developing our talent this way saves us time and resources on organising more training courses than is needed. It also organically raises employee morale and fortifies company loyalty as employees naturally adopt the organisational culture and carry out their work responsibilities at PUC.

In addition, we equip employees with relevant job knowledge and skillsets via trainings, seminars, workshops and talks. Many of the training sessions consisted of refresher training and on-the-job training which were conducted at our headquarters or using online platforms and video calls, as we continued to maintain our training and development communication channels from the previous year as well as maintain our training budget without any reduction.

RECRUITMENT AND RETENTION

When it comes to our recruitment process, we always give priority to existing employees before we approach the job market. Our hiring and candidate screening process is based on skills, competency, cultural fit as well as the passion and commitment towards taking on the job role.

Our attrition rates remain affected by a host of factors, such as the aftereffects of the COVID-19 pandemic that saw a major lifestyle shift in priorities for many citizens, including some of our own. Organisational restructuring also occurred as we aimed to continue accommodating our new way of working and operating given new office cultures from the pandemic.

EMPLOYEE WELL-BEING AND REMUNERATION

PUC provides industry-competitive remuneration packages and employee benefits for its employees to attract and retain the best and brightest talents in the industry. PUC complies with the minimum wage structure legislated by the government as it is our employees' fundamental human right. Besides appropriately-scaled wages, we also provide various employee benefits for our permanent employees which include, but are not limited to, the following:



Sick leave	Parental leave	Hospitalisation and surgery	Outpatient treatment	Commitment incentives	Team bonding funds
Baby gifts	Examination leave	Marriage leave	Long service awards	EPF contributions in line with standard market rates (12%-13%), and more	

Several employee engagement sessions were conducted to meaningfully strengthen the cohesiveness of the team. HR continued to communicate with employees in FY2022 to follow up on their feedback regarding the aftereffects of the pandemic and other pertinent work updates.

Approved applications for parental leave

Type of Parental Leave	FY2020	FY2021	FY2022
Paternity	1	2	3
Maternity	2	1	1

Return-to-work rates post parental leave

Post Paternity and Maternity Leave	FY2020		FY2021		FY2022	
	Male	Female	Male	Female	Male	Female
Return to Work Rates (%)	100%	100%	100%	100%	100%	100%
Retention Rates (%)	100%	100%	100%	100%	100%	100%

In FY2022, 100% of PUC's employees received annual or regular job appraisals. Employees were appraised based on their achievement of individual key performance indicators ("KPIs") and other notable performances during the year.

SUCCESSION PLANNING

PUC's success and longevity in a rapidly growing industry depend largely on the skill, dedication and experience of not just its employees, but also its leadership. Succession planning is thus a core facet of the Group's hierarchy to encourage our most valued employees to ascend to more leadership-based roles in their employment journey with us.

We facilitate this ascension with high-quality training programmes and on-the-job initiatives given to these selected succession planning candidates. These programmes are regularly modified to adapt to the company's needs and priorities.

Additionally, in support of the local talent pool, we also strive to recruit local talent for management positions where possible, unless exceptional cases occur that are purely based on the respective talent's relevant skillsets and experience.

Corporate Social Responsibility ("CSR")

PUC maintained in its role as a responsible corporate citizen in FY2022, as it continued helping communities in need to the best of its ability, more so given the rising socioeconomic difficulties emerging in society. Forging a sustainable future for both our business and society is done by supporting local communities with noteworthy CSR initiatives carried out via volunteerism and charitable contributions.

Group employees are encouraged to engage in CSR programmes, which subsequently bolster employee morale and inner satisfaction in knowing they have positively impacted society. This morale boost eventually improves behaviours, attitudes and productivity among PUC's employees. We ensure that employees who volunteered their time and effort in our CSR activities are duly recognised via internal company acknowledgements.

Our CSR mandate also encompasses our customers and the wider community who use our products. We are always open to the community's voice regarding our products and the Group in general. Complaints and feedback on the Presto e-commerce platform, PrestoMall, can be channelled to the Presto App, while all comments / complaints / feedback on the social media platform will be communicated to the respective business leaders and management to be appropriately addressed. Additional communication channels include PUC's Whistleblowing Policy on our website as well as a dedicated email address for anyone who wishes to lodge a complaint.



FY2022 CSR ENGAGEMENT











As part of Presto's commitment to positively impacting communities in need, our employee volunteers (known as Presto buddies) visited En Yuan Old Folks' Home in Kampung Tunku, Petaling Jaya on 29 June 2022, to not only distribute food supplies to them but also to bring joy to everyone on-site. After almost two years of battling the pandemic that had affected Malaysians, including the lovely seniors at En Yuan Old Folks' Home, we believe these donations can make a positive impact on them.

Board of Directors Profile

DATUK OH CHONG PENG
("DATUK OH")

Independent Non-Executive Chairman

AGE **79**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **1 October 2017**

QUALIFICATION

- Institute of Chartered Accountants in England & Wales
- St Xavier's Institution in Penang, Malaysia

MEMBERSHIP OF ASSOCIATIONS

- Fellow member of the Institute of Chartered Accountants, England and Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

WORKING EXPERIENCE AND OCCUPATION

Datuk Oh has wide experience in financial and other business sectors. He is currently the Non-Executive Chairman of Malayan Flour Mills Berhad. He is also a Non-Executive Director of WCE Holdings Berhad and Saujana Resort (M) Berhad, and a Council Member of Universiti Tunku Abdul Rahman (**"UTAR"**). In addition, he is also a trustee of the UTAR Education Foundation and Mykasih Foundation.

Datuk Oh was the Chairman of the Alliance Financial Group Berhad from 2006 until his retirement from the Board in 2017. He was also the Chairman of Labuan Financial Services Authority (**"Labuan FSA"**) since 16 October 2018 and an Authority member of Labuan FSA from 1996 until his retirement in 2020. He was also a Non-Executive Director of British American Tobacco (Malaysia) Berhad and Dialog Group Berhad, a senior partner of Coopers & Lybrand (now known as PricewaterhouseCoopers Malaysia). He was a Committee Member of the Kuala Lumpur Stock Exchange (now known as Bursa Securities Malaysia Berhad) as well as a member of the Malaysian Accounting Standards Board.

Datuk Oh is a Fellow of the Institute of Chartered Accountants, England and Wales and served as President of the Malaysian Institute of Certified Public Accountants from 1994 to 1996.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  - WCE Holdings Berhad
  - Malayan Flour Mills Berhad
- Public Companies:
  - Saujana Resort (M) Berhad

MEMBERSHIP OF BOARD COMMITTEES

- None

SECURITIES HOLDINGS IN THE COMPANY

Datuk Oh's securities holdings is disclosed at page 94 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 / 5

CHEONG CHIA CHOU
("MR. CHEONG")

Group Managing Director and Group Chief Executive Officer

AGE **48**

Nationality
Singaporean

Gender
Male

Date of Appointment
14 April 2016

QUALIFICATION

- Bachelor of Computer Science (Hons), National University of Singapore
- Master of Computer Science, National University of Singapore

WORKING EXPERIENCE AND OCCUPATION

Being the Group Managing Director and Group Chief Executive Officer of PUC Berhad (**"PUC"**), Mr. Cheong oversees the operations and overall business direction of PUC across its core business areas and subsidiaries, as the Group envisions to be the leading digital services company in Malaysia. Mr. Cheong is also the Chief Executive Officer of Presto Mall Sdn Bhd.

An entrepreneur at heart, Mr. Cheong started his first venture with GeoFoto Pte Ltd in 1999. As the Co-Founder and Chief Architect, he developed system architecture and marketed imaging technology in collaboration with his alma mater, National University of Singapore. As an extension of his line of work, he subsequently designed a state-of-the-art online photo printing system which was sold to Fujifilm in 2001.

Following his passion, Mr. Cheong became the Founder and Managing Director of Pictureworks Holdings Sdn. Bhd. and its subsidiary companies (collectively known as **"PW Group"**), whereby his strategic direction propelled the company to become a regional leader in digital imaging and launched the world's first photo printing kiosk for smart phones. Headquartered in Singapore, PW Group today has its presence in 13 countries with offices in Singapore, Malaysia, Shanghai and Hong Kong, serving 100 million customers annually. The foundation in technology, the development of innovative systems, and his proven business acumen, were most recently reiterated as Mr. Cheong won the prestigious EY Entrepreneur of the Year 2018™ Singapore Award in the category of Media & Lifestyle for Pictureworks, and also the World Chinese Excellent Entrepreneur Lifetime Achievement Award at the World Chinese Economic Summit for the year 2020.

Prior to this, he was with Systems@Work Pte Ltd (which was acquired by Wirecard), the first company to provide a two-way authentication for online transactions using mobile voice calls. As the Business Solutions Director, he led a team in planning and development of large scale payment systems and innovative payment products including mobile applications to meet the growing demands of Malaysia's online ePayments ecosystem.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – None

SECURITIES HOLDINGS IN THE COMPANY

Mr. Cheong's securities holdings is disclosed at page 94 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 / 5

LIEW PENG CHUEN @ LIEW AH CHOY

("MR. LIEW")

Independent Non-Executive Director

AGE **75**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **1 January 2014**

QUALIFICATION

- Mr. Liew obtained his law degree in 1987 and his Malaysian Certificate in Legal Practice in 1988

MEMBERSHIP OF ASSOCIATIONS

- Mr. Liew was admitted as an Advocate and Solicitor of the High Court of Malaya in 1989

WORKING EXPERIENCE AND OCCUPATION

Mr. Liew has more than forty (40) years of experience in the Malaysian media industry. He began his media career with the New Straits Times in 1969 and joined The Star in 1977, where he became Group Chief Editor in 1983.

He was appointed as The Star's Editorial Consultant in 1989. He left in 1992 to join the Westmont Group, where he was Executive Director of Westmont Land (Asia) Berhad. In 1995, he returned to the media industry by joining Nanyang Press Holdings Bhd (**"NPHB"**).

The following year, he joined the Sin Chew Media Group, where he became Group Chief Executive Officer. In 2001, he was appointed as Group Managing Director of NPHB until he retired in 2006.

He has been in legal practice with Messrs CH Yeoh & Yiew since 2007.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – Sin Chew Media Corporation Berhad

MEMBERSHIP OF BOARD COMMITTEES

- Chairman of Nomination Committee
- Chairman of Remuneration Committee
- Member of Audit and Risk Management Committee

SECURITIES HOLDINGS IN THE COMPANY

Mr. Liew's securities holdings is disclosed at page 94 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 / 5

RAJA ZAFURA BINTI RAJA ZAIN
("RAJA ZAFURA")

Independent Non-Executive Director

AGE **60**

Nationality **Malaysian**

Gender **Female**

Date of Appointment **1 March 2018**

QUALIFICATION

- Chartered Institute of Marketing, UK (CIM)

WORKING EXPERIENCE AND OCCUPATION

Raja Zafura has been involved in marketing communications and programme management for over 20 years. Currently, Raja Zafura is leading the Customer Experience Project for the Employee Provident Fund (**"EPF"**), and prior to that, headed the Corporate Affairs department at the EPF. Raja Zafura brings with her keen strategic insight and deep marketing acumen built over the course of her career.

She started off in advertising, building her credentials with the publication arm of Pertubuhan Akitek Malaysia, then at Bates Malaysia, an international advertising agency where she managed key accounts including the Malaysian Tobacco Company Berhad (now known as British American Tobacco (Malaysia) Berhad).

She then served as the Head of Customer Experience of Malayan Banking Berhad's Consumer Banking Division, overseeing marketing, advertising, and communications initiatives for consumer banking, corporate banking, and the Islamic Banking Division. Raja Zafura went on to Khazanah's Themed Attraction Resorts and Hotels as its Senior Vice President for Marketing, Sales and Communications where she was one of the core personnel in launching KidZania while also laying the marketing and communications groundwork for other notable projects.

Raja Zafura was also a key member of the Iclif Leadership and Governance Centre's senior leadership team, overseeing programme operations and marketing communications, before joining the EPF.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – None

MEMBERSHIP OF BOARD COMMITTEES

- Member of Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 / 5

HAFEZ MOHD HASHIM BIN RAZMAN MD HASHIM

("ENCIK HAFEZ")

Independent Non-Executive Director

AGE **43**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **1 August 2019**

QUALIFICATION

- Bachelor of Arts, Victoria University
- Advance Diploma in Multimedia and Mass Communications, Lim Kok Wing University
- GCSC, Standbridge Earls High School

WORKING EXPERIENCE AND OCCUPATION

Encik Hafez's journey as an entrepreneur started at a very young age in sales and marketing. From his learnings in sales and marketing, he then proceeded to set up a food and beverage kiosk in Kuala Lumpur. In 2003, he established HMH Group which started with small landscaping jobs, before gaining traction and promptly moving on to acquiring major facilities management contracts for commercial buildings around Klang Valley, Perak, Melaka & Johor.

HMH Group has expanded into a number of other industries including outdoor advertising, information technology as well as American-Japanese Restaurant chain founded by the son of the Benihana Restaurant Empire. Most recently, HMH Group has become a partner in an electric bus venture that will build and provide an affordable, zero emission mass transport solution. Encik Hafez is the founder and Group Chief Executive Officer of HMH Group.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – None

MEMBERSHIP OF BOARD COMMITTEES

- Member of Nomination Committee

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 / 5

FONG YEW MENG
("MR. FONG")

Independent Non-Executive Director

AGE **69**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **28 February 2022**

QUALIFICATION

- B. Sc (Economics), London School of Economics, University of London

MEMBERSHIP OF ASSOCIATIONS

- Member of the Institute of Chartered Accountants in England and Wales
- Member of Institute of Singapore Chartered Accountants

WORKING EXPERIENCE AND OCCUPATION

Mr Fong is a business manager with over 30 years' experience in financial derivatives in Singapore, Tokyo, London and New York.

He was the member of senior management team which created the first derivatives exchange in Singapore in 1984. He was also the senior management of various investment banks' derivatives line of business.

Mr Fong is currently acting as Corporate Advisor to the Audit & Risk Committee of Boodai Corporation at Group level. Boodai Corporation is an investment holding company with subsidiaries currently listed on Boursa Kuwait.

He is a director of a start-up financial technology company incorporated in Singapore to provide trading platform solutions. He is also a director of a start-up financial technology company incorporated in Singapore that provides technology payment solutions.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – None

MEMBERSHIP OF BOARD COMMITTEES

- Chairman of Audit and Risk Management Committee

SECURITIES HOLDINGS IN THE COMPANY

Mr. Fong's securities holdings is disclosed at page 94 and 96 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 / 4 *(appointed on 28 February 2022)*

NG SAY BENG
("MR. NG")

Non-Independent Non-Executive Director

AGE **57**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **1 August 2022**

QUALIFICATION

- Bachelor of Arts (Honours) in Accounting and Finance, Polytechnic of Wales (now known as the University of South Wales)
- Institute of Chartered Accountants in England and Wales

MEMBERSHIP OF ASSOCIATIONS

- Member of Malaysian Institute of Accountants and the Chartered Tax Institute of Malaysia

WORKING EXPERIENCE AND OCCUPATION

Mr Ng has worked with PricewaterhouseCoopers and other listed entities prior to joining Genting Plantations Berhad (**"GENP"**) in 2013.

Prior to his appointment as the Chief Financial Officer of GENP, he was the Senior Vice President - Finance for Indonesia.

Currently, he holds directorships in various subsidiaries within the GENP Group and is a Director of Benih Restu Berhad, a public company which is wholly owned by GENP.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – Benih Restu Berhad , wholly owned by Genting Plantations Berhad.

MEMBERSHIP OF BOARD COMMITTEES

- None

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 / 2 *(appointed on 1 August 2022)*

DATO SRI' ADNAN BIN WAN MAMAT

("DATO SRI' ADNAN")

Non-Independent Non-Executive Director

AGE **63**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **14 November 2022**

QUALIFICATION

- Bachelor of Business Administration, University of Kyoto

WORKING EXPERIENCE AND OCCUPATION

Dato' Sri Adnan began his career as Corporate Manager of Ramada Beach Resort Kuantan from 1986 to 1993 before joining the Pahang Chief Ministers Office as Economic Advisor to the Chief Minister until 1998.

From 1998-2000, he was appointed as Vice President of the Kuantan Municipal and was the Political Secretary to the Ministry of Information, Malaysia from 1999 to 2004.

During General Election in 2004, he contested and won the P82 seat, Indera Mahkota and subsequently elected as a Member of Parliament for the term 2004 to 2008. He was appointed as a board member of Inno Biologic Sdn Bhd from 2005.

During General Election in 2008, he contested under state seat and became the State Assembly Member for Tanjung Lumpur, Kuantan, Pahang and was also appointed as a State Executive Committee member, heading the Pahang State Youth and Sports Committee. Under his leadership, Pahang managed to host SUKMA in 2012, ahead of its original turn, as part of after the General Election 2013, he has focused his path in the corporate world.

In politics, he held the post of Kuantan Divisional Chief of UMNO, the ruling party, from 2004 until 2018.

In 2013, he has been appointed as Chairman of MMN Bina Sdn Bhd. And also appointed Chairman to Malaysia Aviation Training Academy which is located in Kuantan.

Apart from that, since 2014, he has been one of the directors of Sungei Wang Group, a company which involves in property development, among others.

He was appointed to the Board of KNM Group Berhad, an Oil and Gas company listed in Bursa from 2014 to 2018. In August 2017, he was appointed as the Chairman of FiTec, a subsidiary of Government owned agency MARA, with its main business in furniture and human capital development. Currently, he is a board member for Royal Pahang Durian Sdn Bhd, Tanah Mestika Sdn Bhd, Wise Autumn Sdn Bhd and Casa Inspirasi Sdn Bhd. Also, he is a board member for Magna Prima Berhad and Infraharta Holdings Berhad (formerly known as Vertice Berhad).

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  - Magna Prima Berhad
  - Infraharta Holdings Berhad (formerly known as Vertice Berhad)
- Public Companies:
  - None

MEMBERSHIP OF BOARD COMMITTEES

- None

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1 / 1 *(appointed on 14 November 2022)*

OOI KAH HOE
("MR. OOI")

Independent Non-Executive Director

AGE **36**

Nationality **Malaysian**

Gender **Male**

Date of Appointment **19 January 2023**

QUALIFICATION

- Association of Chartered Certified Accountants (ACCA), Sunway College Ipoh

MEMBERSHIP OF ASSOCIATIONS

- Member of Malaysian Institute of Accountants
- Fellow of Association of Chartered Certified Accountants

WORKING EXPERIENCE AND OCCUPATION

Mr Ooi has over 12 years of experience in the accounting and finance field. He started his career as an Audit Junior in one of the Big Four Audit Firms in Ipoh in August 2010 and left as an Audit Senior in April 2014. Thereafter, he was employed as a Finance Manager and then to Senior Finance Manager of a private conglomerate in Ipoh from May 2014 to December 2021.

He is currently acting as Financial Controller at Fantastic Capable Sdn Bhd, a company engaging in the business of property development and investment holdings. He is primarily responsible for financial reporting, management reporting, financial analysis, financial projections and feasibility studies.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

- Listed Corporations:
  – None
- Public Companies:
  – None

MEMBERSHIP OF BOARD COMMITTEES

- None

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

N/A *(appointed on 19 January 2023)*

Additional Information of the Board of Directors:	
Family Relationship:	None of the Directors has any family relationship with any Director and/or major shareholder of PUC
Conflict of Interests:	None of the Directors has any conflict of interest with PUC
Conviction for Offences:	None of the Directors has any conviction for offences, other than traffic offences, for the past five (5) years
Public Sanction or Penalty:	None of the Directors has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2022

Key Senior Management Profile

CHEONG CHIA CHOU
("MR. CHEONG")

Group Chief Executive Officer

AGE **48**

Nationality
Singaporean

Gender
Male

Date of Appointment
1 May 2017

Mr. Cheong's profile is disclosed in the Directors' Profile of this Annual Report.

CHOR ZHENYI
("ZHENYI")

Financial Controller

AGE **41**

Nationality
Malaysian

Gender
Male

Date of Appointment
1 March 2021

As the Financial Controller of PUC Berhad ("PUC"), Zhenyi is responsible for the functions of the Group's Finance Department covering financial reporting, treasury, budget controlling, tax as well as other financial-related matters that put the Group's financial performance as priority while complying with regulatory standards.

Zhenyi has more than 16 years of audit and commercial experience. He has worked in various capacities in industries including fast moving consumer goods & healthcare products distribution, oil and gas, electrical products trading and auditing.

Prior to joining PUC Group as Financial Planning & Analysis Manager in 2018, Zhenyi was the Financial Planning & Analyst Lead for Schneider Electric Malaysia.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES
- Listed Corporations: None
- Public Companies: None

SECURITIES HOLDINGS IN THE COMPANY AS AT 31 MARCH 2023
Direct Interest – 20,004,000 ordinary shares

Other than disclosed, none of the Key Senior Management have:

1. any family relationship with any Director and/or major shareholder of PUC;
2. any conflict of interest with PUC;
3. any conviction for offences within the past five (5) years other than traffic offences; and
4. any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2022.

Management Discussion & Analysis

This Management Discussion and Analysis evaluates PUC's operations and financial performance in FY2022 and also details future growth strategies. The Group managed to contribute towards objectives that impacted PUC's overall performance despite an unpredictable operating environment and its economic challenges during the year under review.

In FY2022, PUC recorded a loss after tax (**"LAT"**) of RM53.56 million (FY2021: RM62.43 million). The improved LAT is due to better cost optimisation and focused efforts on further developing the Group's business centred around the Presto digital ecosystem platform.

A reduced impairment caused mainly by lower impairment loss of intangible asset in FY2022. This reduced impairment loss enabled PUC's businesses to make progress in recovering from the impact of COVID-19 on the Group's financial position.

Omnichannel: The Group's Omnichannel segment remained a major revenue contributor, bringing in a revenue of RM12.15 million in FY2022 (FY2021: RM19.37 million). This year-on-year decrease in revenue resulted from lower regional media and advertising revenue, as the Group gradually shifted focus to its Presto-related business.

Presto: This segment contributed RM7.10 million in revenue in FY2022 (FY2021: RM3.18 million), and this improvement is mainly attributable to higher revenue from sales of software and billing of software development projects. Given the ongoing integration of the Presto digital ecosystem components, PUC remains optimistic that the Presto segment will significantly contribute positively to our top and bottom lines once completely integrated. Resources and technological development will continue to be strategically allocated to further enhance Presto App's offerings and services to meet clear high demand of the current market space.

Additionally, our associated company, Pictureworks Holdings Sdn Bhd (**"PWHQ"**) contributed to a LAT of RM3.64 million in FY2022 (FY2021: RM3.94 million), as the company leveraged the reopening of all economic sectors in FY2022 to continue on its path of rebounding after the pandemic's negative effects. Presto Mall Sdn Bhd (**"PMMMY"**) contributed to a LAT of RM0.39 million in FY2022 (FY2021: RM0.98 million). As PMMMY remained aligning to its business focus, it came closer towards leveraging the long-term financial viability of Presto digital ecosystem by gradually transitioning from business-to-business (**"B2B"**) trading activities, the temporary lower revenue is something PUC was willing to weather in FY2022.

PUC remains focused on forming synergistic connections between its business segments to optimise their performance outputs based on the market's increasing reliance on digital platforms for products and services. Given our current and imminent business partnerships are also beginning to synchronise with the Presto digital ecosystem, PUC continues to be positive about the Presto segment's strong contribution to its top and bottom lines when these partnerships are assimilated.

KNOWN OPERATIONAL TRENDS AND EVENTS

PUC mitigated most of the pandemic's effects on its business by instilling a level of sustainability through cost efficiency measures such as rationalising operations and streamlining business activities.

Constantly adapting to operational challenges and consistently seeking business opportunities to attain a profitable position for the Group remains at the forefront of PUC's business strategies. A fundamental facet of our strategies involves the ongoing development of our digital business portfolio, which was initiated before the pandemic's emergence, and has seen important enhancements in FY2022.

Before all economic sectors were allowed to operate from May 2022 onwards, the COVID-19 pandemic encouraged people to engage in social distancing and more online activity to get through day-to-day routines safely. Digitalisation was not just prominently adapted into work environments with remote work and teleconferencing, but increased e-commerce activity, food and product deliveries and online payment transactions catalysed a durable

stay-at-home economy that remained strong even as we gradually returned to pre-pandemic norms.

These digitalisation moves marked the vital importance of a fast-emerging digital market and how an all-encompassing digital ecosystem can effectively cater to market needs. The Presto digital ecosystem was developed to leverage this potential with its e-commerce and fintech services.

Notably, PUC saw a major potential in becoming a key player in aggregating and delivering loyalty and redemption programmes and is greatly expanding upon its existing expertise, partnerships and platforms to achieve this goal. Loyalty points will be a digital currency on Presto. Thus, when making a payment, members may combine loyalty points with other digital payment methods if points are insufficient.

Not only can products be redeemed via loyalty points, but loyalty points can also be used to pay for certain services on Presto such as food delivery with BAIJIA, powerbank rental via PrestoPower, ticketing with WeTix as well as next-day delivery with eFMX (which also allow users to earn eFMX points when receiving parcels).

This strategy sensibly utilises PUC's strong fundamentals in platform development to compete in a niche segment that reaps valuable benefits for the Group and Presto's user base. Loyalty points aggregation and redemption also provides insightful redemption data to help partners and Presto understand members' redemption habits better in order to improve customer engagement and further drive targeted marketing.

PUC will also continue focusing on other major digital segments such as e-commerce, e-services, food delivery, grocery shopping, entertainment and more, but the Group is also determined to bank on this niche business of loyalty points programmes and expanded payment gateways to further increase traffic into our Presto digital ecosystem.

In fact, cross-promotion of Presto's other services via loyalty points aggregation and redemption programmes have been initiated, synergising the ecosystem to maintain Presto's increasing user base garnered from loyalty points users.

Fintech will play a major role in loyalty rewards and payment gateways at Presto, and therefore solidifying existing fintech-relevant partnerships and creating new ones is also part of the Group's ambition of enlarging its platform's loyalty points programmes and services. PUC hopes these partnerships will continue elevating Presto's presence in the digital marketspace.

Further details on Presto's developments and future strategic priorities are provided in the Group Managing Director and Group Chief Executive Officer's Message and the Strategy Review section of this Annual Report.

ANTICIPATED AND KNOWN RISKS

PUC remains aware of the risks involved in its business and operations given its operating environment in the ASEAN region. We continuously monitor these risks while also developing and implementing mitigation strategies to counteract any potential impact these risks may pose.

COVID-19

Since its emergence in FY2020, the COVID-19 pandemic has negatively affected many lives, businesses and economies on a global scale. This pandemic's disruption also affected PUC in terms of financial and business performance dips in the past couple of years.

After numerous containment measures, social distancing protocols, travel restrictions and movement lockdowns, April and May 2022 saw the Malaysian government enter the endemic phase of the COVID-19 pandemic and reopened all economic sectors and removed movement lockdown measures. This was in line with global sentiments of ending the COVID-19 social restrictions.

While the nation increasingly returns to pre-pandemic norms, it remains important to remember what the situation was like during the past years of unpredictability that COVID-19 brought, where regulations affected how our business had to constantly adapt and operate in volatile conditions.

The preference of using online platforms over physical interactions further accelerated during the pandemic and subsequently created a huge potential to capitalise on the digital market ranging from social media, online retailers / grocers (shopping), food delivery (eating) and even streaming services (entertainment). Businesses have also greatly improved their adaptability to work remotely, which has allowed us to bolster our adaptability and operational viability if another lockdown were to take place.

Omnichannel has made attempts to keep up with the changing times by offering services such as digital marketing and advertising since these would be sought after especially during the pandemic era where online products / services were sought after. On the other hand, the Presto digital platform and digital services were primed to thrive under the conditions brought about by the pandemic where reliance on digital-based platforms were at an all-time high. PUC prospered in this operating environment, allowing for potential future opportunities of expansion and diversification to arise.

Global Inflation

While we are gradually recovering from the pandemic, we remain aware of facing significant ongoing inflation affecting economies everywhere. Inflation has raised costs of retail products and services while eroding purchasing power due to fluctuating currencies. Borrowing costs may also rise significantly. PUC is closely monitoring the inflation situation and, if required, is prepared to take certain necessary steps to ensure business continuity and performance such as making general cost reductions and re-evaluating our product portfolio.

Product Costs

The Company will also face fluctuating third-party costs for our product inventory. To mitigate this potential challenge, we negotiated contractual price arrangements with all our suppliers and maintained a mutual working partnership.

Increased Competition

Competition may be seen as challenging to some, but for PUC, having competition motivates us to maintain and elevate the high standards of our products more than our competitors. By constantly making changes and, developing the Presto digital ecosystem to encompass a larger audience and adapting to more modern techniques to advertising for Omnichannel, PUC did its best to stay ahead of the competition.

Industry talent is also a competitive factor for PUC. Not only does PUC work towards attracting the best talent of the industry, but the training we provide along with initiatives that aim to increase efficiency, productivity and innovation, are all necessary steps to gear ourselves and our talent to compete with high-level competition in the industry. Furthermore, as our products and services are what make us stand out, they will be continuously improved upon when needed, to be on-trend with shifting market needs.

FORWARD LOOKING STATEMENT

FY2022 saw the gradual recovery of the global economy and society from the COVID-19 pandemic thanks to robust inoculation efforts and all economic sectors reopening in April and May 2022 onwards. The recovery is supported by Malaysia's expected GDP growth which is projected to be between 4% and 5% in 2023 according to Malaysia's Ministry of Finance (**"MOF"**). Among other factors, this GDP growth is expected to come from further containment of the pandemic, steady domestic demand and a vibrant services sector.

Similarly, Malaysia's domestic services sector is also projected to grow by 5% in 2023. This growth will largely come from sustained domestic demand despite moderate global economic growth. This growth will also be primarily driven by wholesale and retail trade following the retail segment's expansion caused by wider utilisation of e-commerce and swift transition to digitalisation. The finance and insurance subsector will also be expected to turn around by 3.1% given improving economic activities.

Therefore, not only has this digital-heavy recovery trajectory already seen the normalisation of more digitalised work conditions such as virtual online communication platforms being widely used for remote work adaptations, but this same acceleration of digital trends augurs well for PUC's business propositions especially Presto, with more emerging opportunities for PUC's expansion plans given further credence.

PUC knows that Presto digital ecosystem growth potential needs to be capitalised given the huge potential of the digital marketspace. With the global financial technology market estimated to grow at a gradual compound rate of 25.18% between 2022 to 2027, the many investments made into developing the Presto digital ecosystem is a strategic move for PUC's long-term sustainability. The Strategy Review in this Annual Report has further information on the strategic market outlook for PUC's operating environment.

Despite the consortium led by PUC not being awarded a digital bank licence as announced by Bank Negara Malaysia on 29 April 2022, the Group will continue to grow its core business under the OmniChannel and Presto business segments while extending its efforts to serve the needs of the underprivileged community. We have been working with "buy now, pay later" market players to see if we can figure out a strong formula for Presto to enter this business segment in order to serve its communities effectively.

Chiefly, however, PUC's next major push in digital development will be greatly expanding its existing foray into loyalty points and redemption services aggregation and delivery. With the goal of interconnecting its other Presto services with loyalty points redemption system, Presto is looking to introduce and maintain more loyalty points services and related partners to further incentivise customers who continuously use the Presto app in order to sustain the customer base and grow it strategically.

We are also looking to fine-tune further internal restructuring activities that would strategically align multiple teams within PUC towards tackling key areas of our business' digitalisation prospects.

For instance, we have a commercial team that focuses on bringing in new loyalty partners to come aboard Presto and create higher traffic. We also have teams on driving permanence of memberships, as well as looking at the infrastructure partnerships to see how best we can leverage partners, and vice versa, to drive the Presto digital ecosystem. Our backend team also contributes to ensuring the smooth operations of digital technologies and infrastructures.

Further details on our forward-looking plans can be found in our Group Managing Director and Group Chief Executive Officer's message in the Annual Report.

As the positive outlook related to the ongoing growth of digital and its related businesses in the coming financial years will continue to be opportunistically captured by PUC, for the short-term, the Group will also practice some measure of prudence if and when required as we understand the need for sound cash preservation given the ongoing unpredictable nature of the global economic conditions. The Group looks forward to tapping into more opportunities in FY2023 while funding its ongoing expansion plans via internally generated funds and / or equity fundraising exercises.

Barring any unforeseen circumstances, PUC's years of digital services, expertise and experience place the Group in a strong position to rebound into profitability and sustain it. This will be driven by the Group's robust digital propositions, healthy partnerships, market foresight and resilient leadership that lead us to brighter horizons.

DIVIDEND POLICY

The Group's ability to pay dividends is subject to its profit performance for the financial year as well as the need to preserve capital to fund business development and to ensure its financial and operational sustainability in the long term. Hence, Management has not declared a dividend for FY2022. Management will consider the possibility of a dividend payout to shareholders premised upon PUC returning to profitability in the near term.

Corporate Governance Overview Statement



The Board of Directors of PUC Group ("Board") is committed to maintain high standards of governance practices, values and ethical business conduct and acknowledges the importance of setting the appropriate standards at the Board level across the entire Group. Corporate governance practices shall be the fundamental aspect in managing the business and affairs of the Group in a responsible and ethical manner.

This Corporate Governance (**"CG"**) Overview Statement sets out the principal features of PUC Berhad (**"PUC"** or the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance.

This CG Overview Statement is prepared in compliance with the ACE Market Listing Requirements (**"AMLR"**) and is to be read together with the Company's Corporate Governance Report (**"CG Report"**) for the financial year ended 31 December 2022 (**"FY2022"**) which is available on Bursa Malaysia Securities Berhad (**"Bursa Securities"**) website at www.bursamalaysia.com and the Company's website at www.puc.com.

This CG Overview Statement provides a summary of the corporate governance practices of the Company during the FY2022 with reference to the three (3) key Principles of good corporate practices as set out in the Malaysian Code on Corporate Governance (**"MCCG"**) as follows:-

PRINCIPLES

A Board Leadership and Effectiveness

B Effective Audit and Risk Management

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

The Board is striving to achieve high standard in corporate governance through strengthening self and market discipline, promoting good compliance with laws and ethical values, and maintaining the standard of corporate governance culture to ensure appropriate management of risks and level of internal controls within the Group.

The Board is the ultimate decision-making body of the Group and is responsible for the overall direction and vision of the Group's business and affairs on behalf of the shareholders with the exception of matters which require the approval of shareholders. The Board delegates authority for the conduct of the business to the Group Managing Director and Group Chief Executive Officer (**"GMD"**), Mr. Cheong Chia Chou, who together with the Management team are accountable to the Board.

Board Responsibilities

The Board is responsible for the performance and affairs of the Company and its subsidiaries (**"Group"**). It also provides leadership and guidance for setting the strategic direction and the control systems of the Group. The Board delegates the implementation and monitoring of these set directions and control systems to the management.

The Board is led by the Independent Non-Executive Chairman (**"Chairman"**), Datuk Oh Chong Peng and is supported by the GMD, Mr Cheong Chia Chou and other Board members with wide range of expertise and experience. They collectively play an important role in the stewardship of the direction and operations of the Group.

The Board has assigned the day-to-day affairs of the Group's businesses within various divisions to local management, comprising GMD and the Management and heads of departments of the main operating companies, who are accountable for the conduct and performance of their businesses within the agreed business strategies.

The roles and responsibilities of the Chairman and the GMD are segregated and set out in the Board Charter which provides clear, distinct responsibilities for each role to enhance the appropriate existing balance of role, responsibility, power, authority and accountability. The Board Charter is available on the Company's website at www.puc.com.

The Chairman, Datuk Oh Chong Peng has a robust leadership background and vast experience in various senior positions that has led to his election from among members of the Board and redesignated as an Independent Non-Executive Chairman of the Board on 1 June 2020.

The Chairman of the Board is not a member of the Board Committee of the Company.

The Chairman's role is to:

- set mission and vision, carry out a visionary leadership role in facilitating the effective conduct of the Board;
- create a culture of openness characterised by debate and appropriate challenge amongst Board members;
- promote and ensure the highest integrity standards of corporate governance processes and issues;
- undertake primary responsibility for the Board to receive accurate, timely, clear information and is consulted on all relevant matters; and
- lead a well organised Board Meeting, an unbiased view to allow each and every Board member to raise their concerns, if any.

The Board through the Board Charter recognises the importance of having a clear separation of power and responsibilities to ensure no repetition of duties and authority, a balance between power and authority.

The Board's role is to:

- review, challenge and adopt the overall strategic and business plans, goals and directions of the Group;
- oversee and evaluate the conduct and performance of the business and Management in ensuring proper procedures and measures are in place;
- review the adequacy and integrity of the risk management and internal control system of the Group;
- ensure that the Group adheres to high standards of ethics and corporate behaviour to safeguard the interests of shareholders;
- ensure orderly succession planning for the Board, Board Committees and Management;
- monitor and review the management processes in uplifting integrity of financial and other reporting requirements to ensure the Group's financial statements are true, fair and conform with the relevant accounting standards including adopting annual budgets and approving the Company's financial statements; and
- work together with the Management and take responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.

The GMD role is to:

- assume overall responsibility for leading the Group's performance and management;
- oversee the Management and heads of departments;
- develop, recommend and implement organisational strategy, targets, business plans and policies;
- drive performance within strategic goals and commercial objectives;
- implement an effective framework of risk management and risk control system;
- foster a corporate culture promoting ethical practices and integrity;
- manage day-to-day conduct of business and affairs;
- be the public face, the official spokesperson of the Group;
- work towards the mission, vision and core values; and
- advocate anti-money laundering from top to down.

There is a clear delineation of roles between the Board and Management with the GMD acting as the conduit between the Board and the Management in driving the success of the Group's governance and management functions.

The Independent Non-Executive Directors' role is to:

- provide independent judgement to the Board;
- scrutinise the performance of the Management;
- review the adequacy and integrity of the internal control system, management information system, financial and other reporting requirements;
- develop, give unbiased review and constructively challenge strategy proposals;
- provide a check and balance, deliberate and challenge the Management on the rationale for the proposals; and
- look into whistleblowers and their concerns.

The Independent Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their particular expertise and experience in assisting the development of business strategy of the Group and making insightful contributions to the Board's deliberations. The Independent Non-Executive Directors serve as a check and balance with no bias and give fair opinions, and decisions to the Board. They also assist and ensure the Board adopts good corporate governance practices within the Group.

Board Committees

The Board has established the following Board Committees which consist of Independent Non-Executive Directors to provide independent oversight of management and ensure that there are appropriate checks and balances in discharging its oversight function:

- Audit and Risk Management Committee (**"ARMC"**)
- Nomination Committee (**"NC"**)
- Remuneration Committee (**"RC"**)

The Board Committees play a significant role in reviewing matters within each Committee's Terms of Reference (**"ToR"**) and facilitating the Board's discharge of its duties and responsibilities. Each of these Committees has specific ToR, scope and specific authorities to review matters and report to the Board with their recommendations.

The Board may also form other committees from time to time as dictated by business imperatives and/or to promote operational efficiency. Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board. The ToR of the Board Committees are available on the Company's website at www.puc.com.

Company Secretaries

The Board is supported by the Company Secretaries, who are members of the professional body namely, The Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified to act as Company Secretary under the Companies Act 2016 (**"CA 2016"**). The Company Secretaries play an important role in facilitating overall compliance with the CA 2016, AMLR, MCCG and other relevant laws and regulations.

The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their ToR and best practices and ensuring adherence to the existing Board policies and procedures. The Company Secretaries assist the Chairman in the orderly meeting proceedings and record the minutes of meetings. The Company Secretaries are also the advisers to the Board. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board, Board Committees and individual Directors and Management. The ultimate responsibility for decision making still lies with the Board.

The Board Charter is subject to periodic review by the Board to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. The Board Charter is available on the Company's website at www.puc.com.

Code of Conduct and Ethics

The Board shall formalise and maintain a set of ethical professional standards and behaviour, personal integrity and display of honesty in dealings are expected of all directors, employees and, where applicable, counterparts and business partners and ensure their compliance.

The Board has adopted a Code of Conduct and Ethics for PUC Group and together with Management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is available on the Company's website at www.puc.com.

Whistleblowing Policy and Procedures

The Group acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Group has in place a Whistleblowing Policy which serves as an internal disclosing channel in relation to whistleblowing at workplace and enables employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis and pursuant to the Malaysian Whistle Blowing Protection Act 2010 or other similar laws prevailing in other countries where the subsidiary companies are located, without fear of any form of victimisation, harassment, retribution or retaliation.

The Whistleblowing Policies and Procedures is available on the Company's website at www.puc.com.

All matters reported will be reviewed within a reasonable timeframe, and after due consideration and inquiry, a decision will be taken on whether to proceed with a detailed investigation. Guidance or direction may be sought from the GMD and other appropriate parties. While all complaints received will be reported to the GMD, whistleblowing complaints alleging fraud and breaches of corporate governance will be escalated to the Audit and Risk Management Committee and the Chairman of the Board.

Anti-Bribery and Corruption Policy

The Group is committed to conduct its business and operations premised on the concepts of transparency, integrity and accountability, in compliance with the applicable laws and regulations while adopting the highest standards of professionalism, honesty, integrity and ethics.

The Group has adopted and implemented the Anti-bribery and Corruption Policy in line with the government's commitment to tackling corruption, improving integrity and implementing good corporate governance pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Anti-bribery and Corruption Policy which applies to all directors, officers, trustees, partners, employees and persons associated with PUC Group.

The Anti-Bribery and Corruption Policy is available on the Company's website at www.puc.com.

Directors' Fit and Proper Policy

The Board approved and adopted the Directors' Fit and Proper Policy on 15 June 2022, which serves as a guide for the Nomination Committee and the Board in their review and assessment of candidates to be appointed to the Board as well as existing Directors who are retiring and seeking re-election.

The Directors' Fit and Proper Policy is available on the Company's website at www.puc.com.

Business Sustainability

The Board is mindful of the importance of good governance practices in the application of sustainability practices throughout the Group. The Board, with the support from the Management is committed to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a sustainable long term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been set out in the Sustainability Statement on pages 32 to 49 of this Annual Report.

Board Composition

The current Board composition of the Company represents a mix of knowledge, skills, expertise, gender and diversity which assist the Board in effectively discharging its stewardship and responsibilities. The Board of the Company currently has nine (9) members comprising GMD, six (6) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director. The profiles of each of the Directors are set out on pages 52 to 60 of this Annual Report.

The present composition of the Board is in compliance with Chapter 15.02 of the AMLR which requires at least two (2) directors or one third (1/3) of the Board members of a listed issuer, whichever is higher, to be Independent Directors. If the number of directors of the listed issuer is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) must be used. The Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined for all stakeholders of the Group.

Boardroom and Management Diversity

The Board acknowledges the importance of boardroom and management diversity in terms of age, gender, culture, nationality, ethnicity and recognises the benefits of this diversity. The Board also recognises that having a range of different skills, backgrounds, experiences and diversities is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that whilst promoting boardroom and management diversity is essential, the normal selection criteria of a Director or a Management, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board and the Management, should remain a priority.

The Board from time to time undertakes a review of its composition to determine areas to strengthen and improve opportunities. Furthermore, the Company takes diversity not only in the Board and the Management but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company.

Currently, PUC does not adopt any formal gender diversity policy in the selection of new Board Members and does not have specific policies on setting targets for female candidates in the workplace. However, the Board has one (1) female director namely, Raja Zafura Binti Raja Zain. The Board complies with the latest amended AMLR to have at least one (1) female Director by 1 June 2023. The Board will consider the appointment of an additional female Director as and when vacancies arise and circumstances permit.

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

The Directors' attendance at Board meetings during the financial year under review as below:

Name	Attendance
Datuk Oh Chong Peng	5/5
Cheong Chia Chou	5/5
Liew Peng Chuen @ Liew Ah Choy	5/5
Raja Zafura Binti Raja Zain	5/5
Hafez Mohd Hashim Bin Razman Md Hashim	5/5
Fong Yew Meng *(appointed on 28 February 2022)*	4/4
Ng Say Beng *(appointed on 1 August 2022)*	2/2
Dato' Sri Adnan Bin Wan Mamat *(appointed on 14 November 2022)*	1/1
Ooi Kah Hoe *(appointed on 19 January 2023)*	N/A
Lee Bao En *(resigned on 19 January 2023)*	5/5
Wan Hazreek Putra Hussain Yusuf *(retired on 28 June 2022)*	2/3

Training and Professional Development of Directors

The Board believes that continuous training for Directors is vital to enhance their skills and knowledge and enable them to discharge their duties effectively.

To keep abreast with the current developments, the Board, individual Directors, the Management and staff receive ongoing training as required and in the case of newly appointed Directors, essential information of the Group was being presented. The Directors will continuously attend the necessary training programmes, conferences, seminars and/or forums so as to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

All Directors of the Company including the newly appointed Directors, have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Company Secretaries and Auditors regularly update and apprise the Directors on new statutes, policy documents and guidelines issued by the regulatory authorities and the requirements by providing briefings during the year on any significant developments in legal, governance and compliance areas to be observed by the Company and Directors thereupon.

During the FY2022, the seminars and conferences attended by the Directors were as follows:

Directors	Seminars / Conferences / Forums
Datuk Oh Chong Peng	• TCFD Climate Disclosure Training Programme_TCPD 101 & TCPD 102 organised by UN SSE & Bursa Malaysia on 2 March 2022 • Key Updates on Sustainability & Task Force on Climate-Related Financial Disclosures organised by Tricor Axcelasia Sdn Bhd on 22 February 2023 • Audit Oversight Board's Conversation with Audit Committees organised by Securities Commission on 7 April 2022
Liew Peng Chuen @ Liew Ah Choy	• Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees – Securities Commission Malaysia on 6 December 2022
Fong Yew Meng *(appointed on 28 February 2022)*	• Mandatory Accreditation Program (MAP) organised by Institute of Corporate Directors Malaysia
Ng Say Beng *(appointed on 1 August 2022)*	• Mandatory Accreditation Program (MAP) organised by Institute of Corporate Directors Malaysia
Ooi Kah Hoe *(appointed on 19 January 2023)*	• Mandatory Accreditation Program (MAP) organised by Institute of Corporate Directors Malaysia • Sounds Legal: Amendments to the Employment Act 1955 webinar organised by Lee Hishammuddin Allen & Gledhill • Personal Data Protection Act 2010: Common Issues and Practical Solutions webinar organised by Lee Hishammuddin Allen & Gledhill • Staying on Top of Strata Management Litigation webinar organised by Lee Hishammuddin Allen & Gledhill. • Amendments to the Employment Act webinar organised by MyFreelysAcademy

As disclosed above, Cheong Chia Chou, Raja Zafura Binti Raja Zain, Hafez Mohd Hashim Bin Razman Md Hashim and Dato' Sri Adnan Bin Wan Mamat were not able to attend any training programmes and/or seminars during the financial year due to busy work schedules. However, they have kept themselves abreast on financial and other business aspects through readings and meetings to enable them effectively to discharge their duties and contribute to the Board.

Access and Supply of Information and Advice

All Directors have direct access to the Company Secretaries and Management. All Board members have unrestricted access to all information relating to the Group's business affairs within the Group whether as a full Board or in their individual capacity in furtherance of their duties and responsibilities as Directors of the Company.

There is a schedule of matters reserved specifically for the Board's decision as expressed in the Group's Limit of Authority which provides empowerment to the Management. All Directors have access to the advices and services of the Company Secretaries and a procedure that allows Directors to seek independent professional advices where necessary in discharging their duties, making decisions and complying with relevant regulatory requirements at the Company's expense.

PUC in ensuring that all Directors are able to provide the required time commitment to the meetings practises early planning of meeting schedule so that the Directors are able to plan ahead and to ensure efficient planning by Management and sufficient time spent for the Directors to deliberate and discuss the various matters. As such, the Board and other Board Committee meeting schedules were prearranged in the final quarter of each year, when the tentative dates were tabled to the Board of PUC via circulation by email.

To keep abreast with the digital era, Board papers including but not limited to the minutes of Board meetings were made accessible via electronic means for instantaneous delivery and within reach by the Board members and are circulated at least five (5) days prior to the date of the Board meetings to enable ample review time for the Board.

Nomination Committee

The NC on behalf of the Board of PUC acts as a key gatekeeper in ensuring the Board and Board Committees have the right balance of skills, experience, independence and knowledge to effectively discharge their duties and responsibilities.

The Board is mindful of the need to maintain a balance Board composition and boardroom diversity and in this context; the NC in evaluating, assessing and recommending to the Board for approval shall take into consideration qualifications, credentials, core competencies vis-à-vis the required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, ethnicity, professionalism, integrity, competencies, time commitment and other qualities which the Director would bring to the Board to effectively discharge their roles and responsibilities as Director of the Company.

Searches for potential candidates generally take into account recommendations from the Directors or Management, or nomination from major shareholder or substantial shareholder. The ToR of the NC does not preclude the usage for services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice whenever necessary. The profile of shortlisted candidates shall be circulated to the NC members for consideration and, assessment shall include but not limited to the Directors' Fit and Proper Policy. Thereafter, give a recommendation to the Board for approval.

The NC is governed by the ToR which establishes the functions, powers, duties and responsibilities where a copy of the ToR is available on the Company's website at www.puc.com.

In line with Rule 15.08A of the AMLR with regard to the governance of the NC, the NC membership comprises of all Independent Non-Executive Directors.

The members of the NC as at the date of this CG Overview Statement are as follows:

Name	Designation and Directorship
Liew Peng Chuen @ Liew Ah Choy	Chairman, Independent Non-Executive Director
Raja Zafura Binti Raja Zain	Member, Independent Non-Executive Director
Hafez Mohd Hashim Bin Razman Md Hashim *(appointed on 18 February 2022)*	Member, Independent Non-Executive Director

Attendance of NC Meetings

During the FY2022, a total of one (1) NC meeting was held and met the requisite quorum as stipulated in the ToR of NC, the attendance recorded below:

Name	Attendance
Liew Peng Chuen @ Liew Ah Choy	1/1
Raja Zafura Binti Raja Zain	1/1
Hafez Mohd Hashim Bin Razman Md Hashim *(appointed on 18 February 2022)*	N/A

The respective Board members contributed individual skills, experience, independence and knowledge being regularly reviewed using a matrix skill to cover the skills needed for the running of a public listed company.

To keep abreast with the digital era, NC papers including but not limited to the minutes of NC meetings were made accessible via electronic means for instantaneous delivery and within reach by the NC members and were circulated five (5) days prior to the date of the NC meeting to give ample time for the members to review and comment.

Annual Assessment

The NC reviews annually, the effectiveness of the Board and Board Committees, Board composition, as well as the performance of individual Directors. The evaluation involves respective Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered.

The Company adopts the evaluation criteria as guided by the MCCG and Corporate Governance Guide issued by Bursa Securities.

The evaluation process also involved a peer and self-review assessment, where Directors assessed their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which gave recommendations to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the NC are properly documented.

During FY2022, the NC has carried out the following activities:

- source for the suitable candidate via the Directors and Management;
- recommended to the Board for the appointment of a new Independent Non-Executive Director after evaluating the competency, social exposure, experience, integrity and independence;
- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director, independence of the Independent Directors, diversity, gender, effectiveness of the Board and Board Committees;
- reviewed the performance of the ARMC members and Board members;
- reviewed nomination, criteria and election process for Directors;
- recommended to the Board, the Directors who are retiring and being eligible, for re-election and contingent on satisfactory evaluation of the Directors' performance and contribution to the Board;
- reviewed the tenure of each Director; and
- recommended to the Board, the retention of Independent Non-Executive Directors.

Re-election of Directors

The NC also conducted assessments on Directors who are subject to retirement at the forthcoming Annual General Meeting (**"AGM"**) in accordance with the provisions of the Constitution of the Company and the relevant provisions of the CA 2016.

Clause 85 of the Constitution of the Company provides that at least one-third of the Directors are subject to retirement by rotation at each AGM and that all Directors shall retire once every three years and are eligible to offer themselves for re-election. Further, Clause 92 of the Constitution of the Company also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment.

The NC is also responsible for recommending to the Board those Directors who are retiring and are eligible to stand for re-election at the AGM.

At the forthcoming AGM of the Company, the following Directors are due for retirement and are eligible for re- election pursuant to Clause 85 and Clause 92 of the Company's Constitution are as follows:

i)	Datuk Oh Chong Peng	(Clause 85)
ii)	Hafez Mohd Hashim Bin Razman Md Hashim	(Clause 85)
iii)	Ng Say Beng	(Clause 92)
iv)	Dato' Sri Adnan Bin Wan Mamat	(Clause 92)
v)	Ooi Kah Hoe	(Clause 92)

Tenure of Independent Non-Executive Directors (inclusive of Chairman)

The majority of the Board is made up of Independent Non-Executive Directors whose maximum tenure shall be capped for a cumulative period of nine (9) years. Upon completion of the nine years, the independent director may continue to serve on the Board as a Non-Independent Director.

If the Board continues to retain the Independent Director beyond the nine years, the Board shall provide justification and seek annual members' approval through a two-tier voting process.

Mr Liew Peng Chuen @ Liew Ah Choy was appointed to the Board as an Independent Non-Executive Director on 1 January 2014.

The Nomination Committee had undertaken a review and assessment of the level of independence of the Independent Directors of the Board and based on the assessment, the Board is generally satisfied with the level of independence demonstrated by the Independent Directors.

Based on the assessment carried out, it has been determined that Mr Liew Peng Chuen @ Liew Ah Choy, who has served the Board for a cumulative term of more than nine (9) years, remains objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committees.

The Board recommends to seek the shareholders' approval at the forthcoming AGM to retain Mr Liew Peng Chuen @ Liew Ah Choy as an independent director of the Company.

Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account.

The Board, through the NC, has assessed the Independence of its Independent Non-Executive Directors on an annual basis based on criteria as set out in the AMLR.

Remuneration Committee

The RC is governed by the ToR which establishes the functions, powers, duties and responsibilities where a copy of the ToR is available on the Company's website at www.puc.com.

In line with Guidance 7.2 of the MCCG with regard to the governance of the RC, the RC membership comprises of all Independent Non-Executive Directors.

The members of the RC as at the date of this CG Overview Statement are as follows:

Name	Designation and Directorship
Liew Peng Chuen @ Liew Ah Choy	Chairman, Independent Non-Executive Director
Raja Zafura Binti Raja Zain	Member, Independent Non-Executive Director

To keep abreast with the digital era, RC papers including but not limited to the minutes of RC meetings were made accessible via electronic means for instantaneous delivery and within reach by the RC members and circulated five (5) days prior to the date of the RC meeting to enable ample review time for the members.

During the FY2022, a total of two (2) RC meetings were held and met the requisite quorum as stipulated in the ToR of RC, the attendance as recorded below:

Name	Attendance
Liew Peng Chuen @ Liew Ah Choy	2/2
Raja Zafura Binti Raja Zain	2/2

In recommending the Directors and Management's remuneration to the Board for approval as a whole with the Director concerned abstaining from the decision-making process and in encouraging long-term decision making removing undue volatility from remuneration outcomes, the RC takes into account of the responsibilities of the Directors including the GMD, the pay and employment conditions of all our employees, the corporate and individual performance, the current views of stakeholders, the general market conditions including accomplishment of strategic goals as well as regional and global corporate performance and benchmarking against the remuneration arrangements of other companies of a similar positions, size and complexity for guidance.

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The remuneration of Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individuals with the relevant experience, level of expertise and level of responsibilities.

The Board recommended that the level of remuneration should reflect the experience and level of responsibilities undertaken by each Independent Non-Executive Director. The Board will then recommend the Directors' fees and other benefits payable to Independent Non-Executive Directors on a yearly basis to the shareholders for approval at the Annual General Meeting in accordance with Section 230(1) of the CA 2016.

The Board believes in a competitive and transparent remuneration framework that is in line with Rule 9.25 Appendix 9C(12) of the AMLR where the essence on Directors' Remuneration received and receivable from the Company and its subsidiaries for the FY2022 is spelled out in the table below and reported in this Annual Report:

a) Individual Directors on a named basis

Directors' Remuneration (RM)

Directors	Fees	Salaries	Bonuses	Benefits-in-kind*	Other Emoluments**	Total
PUC						
Non-Executive Directors						
Datuk Oh Chong Peng	54,000	–	–	–	7,000	61,000
Liew Peng Chuen @ Liew Ah Choy	36,000	–	–	–	19,000	55,000
Raja Zafura Binti Raja Zain	36,000	–	–	–	7,000	43,000
Hafez Mohd Hashim Bin Razman Md Hashim	36,000	–	–	–	6,000	42,000
Lee Bao En *(resigned on 19 January 2023)*	36,000	–	–	–	6,000	42,000
Fong Yew Meng *(appointed on 28 February 2022)*	30,107	–	–	–	15,093	45,200
Ng Say Beng *(appointed on 1 August 2022)*	15,000	–	–	–	2,000	17,000
Dato' Sri Adnan Bin Wan Mamat *(appointed on 14 November 2022)*	4,700	–	–	–	1,000	5,700
Wan Hazreek Putra Hussain Yusuf *(retired on 28 June 2022)*	18,000	–	–	–	3,000	21,000
Nathaniel Grant David Sherick *(demised on 21 January 2022)*	2,032	–	–	–	345	2,377
Executive Director						
Cheong Chia Chou	–	396,000	–	–	643	396,643
Subsidiaries						
Non-Executive Directors						
Datuk Oh Chong Peng	15,000	–	–	–	–	15,000
Liew Peng Chuen @ Liew Ah Choy	–	–	–	–	–	–
Raja Zafura Binti Raja Zain	–	–	–	–	–	–
Hafez Mohd Hashim Bin Razman Md Hashim	–	–	–	–	–	–
Lee Bao En *(resigned on 19 January 2023)*	–	–	–	–	–	–
Fong Yew Meng *(Appointed on 28 February 2022)*	–	–	–	–	–	–
Ng Say Beng *(Appointed on 1 August 2022)*	–	–	–	–	–	–
Dato' Sri Adnan Bin Wan Mamat *(Appointed on 14 November 2022)*	–	–	–	–	–	–
Wan Hazreek Putra Hussain Yusuf *(Retired on 28 June 2022)*	–	–	–	–	–	–
Nathaniel Grant David Sherick *(Demised on 21 January 2022)*	–	–	–	–	–	–
Executive Director						
Cheong Chia Chou	–	–	–	–	–	–
Total	282,839	396,000	–	–	67,081	745,920

Notes:

* *Benefits-in-kind has the meaning as given by the Malaysian Inland Revenue Board for the FY2022.*

** *Other emoluments comprised of meeting allowances, defined contribution plans, social security costs, and other benefits for Chairman and Board Committees.*

b) The remuneration of top two (2) Key Senior Management in bands of RM50,000 on an aggregate basis

The MCCG has recommended that the Company should disclose on a named basis, the detailed remuneration of the top 2 (2) Key Senior Management. However, the Board was in the opinion that it is inappropriate to make such disclosure on the remuneration of Senior Management on a named basis due to the sensitivity of the remuneration package, privacy, security and issue of staff poaching.

The Group's Key Senior Management and their total remuneration from the Group are categorised into the various bands as follows:-

Amount	Number of Key Senior Management
RM200,000-RM250,000	1
RM350,000-RM400,000	1

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

ARMC is established by the Board and comprised three (3) members, all of whom are Independent Non-Executive Directors.

The members of the ARMC as at the date of this CG Overview Statement are as follows:

Name	Designation and Directorship
Fong Yew Meng *(appointed on 28 February 2022)*	Chairman, Independent Non-Executive Director
Liew Peng Chuen @ Liew Ah Choy	Member, Independent Non-Executive Director
Raja Zafura Binti Raja Zain	Member, Independent Non-Executive Director
Lee Bao En *(resigned on 19 January 2023)*	Member, Independent Non-Executive Director

The Chairman of ARMC is appointed by the Board and is not the Chairman of the Board. The ARMC is governed by the ToR which establishes the functions, powers, duties and responsibilities granted by the Board which is available on the Company's website at www.puc.com.

The members of the ARMC possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities pursuant to the ToR of the ARMC. In addition, the ARMC members are financially literate and are able to understand, analyse and challenge matters under the purview of the ARMC including the financial reporting process.

The Board is assisted by the ARMC to oversee the Group's and Company's financial reporting process and quality of financial reporting and ensuring that the financial statements comply with the requirements of the CA 2016 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's and Company's financial performance and prospects and ensure that the financial statements reviewed and recommended by the ARMC for Board's approval are prepared in accordance with the requirements of the CA 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and the Company.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

Besides overseeing the Group's accounting and financial reporting process, ARMC is also responsible for assisting the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, to oversee and monitor the Group internal audit functions, reviews any related party transactions, recurrent related party transactions, risk management activities and other activities such as governance matters.

The performance of the ARMC is reviewed annually by the NC. The evaluation covered aspects such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the ARMC meetings. Based on the evaluation, the NC concluded that the ARMC has been rated "strong" in its performance and has carried out its duties in accordance with its ToR during the FY2022.

Read more on ARMC Report detailing its composition and a summary of activities during the financial year on pages 83 to 86 of this Annual Report.

Assessment of External Auditors

The Board maintains a transparent and professional relationship with the External Auditors through the ARMC. Based on current practice, the ARMC invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Group's audited financial statements. In addition, the ARMC also has private meeting with the External Auditors without the presence of the Financial Controller and Management to enable exchange of views on issues requiring attention.

The Board has delegated to the ARMC to perform an annual assessment on the quality of the audit which encompasses the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment and devising tools to obtain the relevant data. Upon completion of the assessment, the ARMC will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

The details of the ARMC's functions are set out in the ARMC Report on pages 83 to 86 of this Annual Report.

Risk Management and Internal Control Framework

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. Accordingly, the Directors are required to ensure that an effective system of internal control, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines are in place within the Group.

The Board has delegated the responsibility of undertaking this process of periodic review to the ARMC, whose responsibilities and duties are detailed in the ARMC Report section of this Annual Report. The Board assumes the responsibility for ensuring effectiveness and adequacy of the Group's risk management and internal control system and has an established Term of Reference to assist in discharging this responsibility.

A centralised risk management function integrated with a compliance function was formalised for the Group to provide a holistic and wide view of the risk and compliance management within the Group.

The Group's risk management framework encompasses the following key elements:

i. Identification of potential risk inherent in the media and advertising business; media and advertising is a major revenue making arm of the Group;

ii. Implementation of proper internal control and procedures to manage identified risks;

iii. Provision of a sound risk management and internal control system as required by MCCG and AMLR;

iv. Instil confidence in the standards of the Group's management policies and procedures amongst its stakeholders;

v. Empowering and equipping the Group with effective policies and procedures for maintaining a competitive edge in the market; and

vi. Ensure business continuity the Group in the event of unexpected circumstances.

The risk management framework being responsive to changes in the business environment is clearly communicated to all levels.

The internal audit function is independent of the activities and operations of other operating units. Its principal role is to undertake independent, regular and systematic reviews of the systems of risk management and internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively to ensure an acceptable level of risk exposure.

In line with best practices, the Internal Audit Function adopts a risk-based methodology that in establishing its strategic and annual Internal Audit Planning Memorandum deploys audit resources to focus on significant risk areas which prioritises the audits to areas that have been assessed as having potentially higher risks for effective governance, risk management and internal control. Where applicable, examinations were conducted on policies, manuals and standards governing the activities, processes, systems and on analysis of the data contained in the accounting and management information systems while key Management were interviewed.

A Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal controls within the Group is set out on pages 87 to 90 of this Annual Report.

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

Communication between Company and Stakeholders

PUC continues to engage and maintain the stakeholders' needs and expectations, taking into consideration their viewpoints and providing new perspectives in generating positive impact to the organisation. The Company's key stakeholder group was identified by their significance, impact and potential impact to our business.

The Company engaged with the stakeholders according to their areas of interest and addressed any issues raise appropriately through specific channels of communication as per table below:

	HOW WE ENGAGE	AREAS OF INTEREST	VALUES WE CREATED
Shareholders/Investors/ Business Partners	– General Meetings – Investors and Analyst Briefing – Public Announcements – Investor Relations Events – Website – Quarterly Results and Annual Report	– Dividends – Sustainable Returns – Long-term Growth and Stability – Board and Governance Sustainability	– Sustainable Returns – Promote Transparent Practices – Long-term Growth and Sustainability
Employees	– Townhall Sessions – Dialogue and Engagement – Intranet Portal – Annual Dinner – Recreation and Sports Club events	– Company's Long-term Growth and Performance – Skills and Capability Development – Employee Benefits – Staff Safety and Well-being	– Skills and Career Development – Safety and Wellness – Competitive Remuneration
Government/ Local Authorities/ Regulators	– Emails/Letters – Discussion on Government Initiatives – Formal Meetings – Inspections	– Contribution to Economic, and Industry Growth – Governance Compliance – Comply to applicable laws and regulations in the relevant jurisdiction	– Responsible Corporate Citizen
Customers	– Customer Feedback Management – Surveys, Email Queries – Loyalty Programmes – Events Dialogue and Engagements – Social Media	– Customers Satisfaction – Safety and Security – Differentiation of Products and Services, Tailored to Customer Demand and Trend	– Attractive and Competitive Offerings at Marketplace – Innovative and Trend Setting Products and Services – Customer Loyalty
Suppliers	– Face to Face Meetings – Evaluation/Performance Review – Corporate Presentation – Supplier Training Programme – Signing Ceremonies	– Fair Practices – Transparent Tender Process – Company's Compliance with Laws and Regulations	– Fair Procurement Practices – Business Opportunities – Elevate Marketability
Community	– Community Engagement Activities – Annual Report – Website/ Information – Leaflet/Kiosks	– Corporate Social Responsibilities	– Corporate Social Investment – Responsible Environment Management
Media	– Press Release/ Media Invites – Press Conferences – Interviews – Media Engagement	– Financial Performance, Growth Strategy and Future Plans – Corporate Social Responsibility	– Company Updates – Quarterly Reports

Corporate Governance Overview Statement (cont'd)

PUC strives to maintain a transparent channel of communication with its stakeholders with the objective of providing updated and accurate information about the Group.

More of PUC Group's latest information and updates are made available through the Company's website at www.puc.com and its social media platforms as follows:

www.facebook.com/PUCBerhad

www.linkedin.com/company/PUCBerhad

Conduct of General Meetings

The Company's AGM remains the principal forum for dialogue with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the shareholders. At the AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions.

The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The Chairman, the GMD and the Financial Controller will respond to shareholders' questions at the AGM.

The Notice of AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.

In compliance with the AMLR and MCCG recommendations, all the resolutions passed by the shareholders at the last AGM held on a virtual basis on 28 June 2022 were voted by way of remote participating via electronic voting to facilitate greater participants. Shareholders participated remotely at the last AGM. The Company continues to leverage technology to enhance shareholders' engagement and participation in the AGMs and general meetings of the Company.

Directors' Responsibilities Statement

The Board is responsible for ensuring that the financial statements are properly drawn up in accordance with the requirements of the CA 2016, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at the end of the financial year and of the financial performance and cash flows of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the FY2022, the Group has adopted suitable accounting policies and applied it consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Group and which enables them to ensure that the financial statements comply with the CA 2016.

This CG Overview Statement was approved by the Board of Directors of the Company on 28 April 2023.

Audit & Risk Management Committee Report

The Audit Committee was established on 27 February 2002 to serve as a Committee of the Board of Directors of PUC Berhad ("Board"). The Audit Committee extended its role to include risk management and was subsequently, renamed as Audit and Risk Management Committee ("ARMC") on 23 May 2018.

The principal objective of the ARMC is to assist the Board in discharging its statutory duties and responsibilities in relation to the Company's financial, accounting and reporting practices, provide a check and balance view on the risk and internal control system.

COMPOSITION

The ARMC comprised solely of Independent Non-Executive Directors. There is no alternate director appointed as member of ARMC. The Chairman of ARMC is not the Chairman of the Board.

The members of the ARMC as at to date of this report are as follow:

Name	Designation	Directorship
Fong Yew Meng	Chairman	Independent Non-Executive Director
Liew Peng Chuen @ Liew Ah Choy	Member	Independent Non-Executive Director
Raja Zafura Binti Raja Zain	Member	Independent Non-Executive Director
Lee Bao En *(resigned on 19 January 2023)*	Member	Independent Non-Executive Director

The Chairman of ARMC, Mr. Fong Yew Meng, a member of the Institute of Chartered Accountants in England and Wales and also a member of the Institute of Singapore Chartered Accountants, has vast experience in financial derivatives. The ARMC members possess a wide range of necessary skills to discharge their duties and are financially literate.

All members of ARMC have been undertaking continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

TERMS OF REFERENCE

The ARMC is governed by the Terms of Reference (**"ToR"**) which establishes the functions, powers, duties and responsibilities granted by the Board. The ToR is available on the Company's website at www.puc.com. The Board has reviewed and assessed the performance of the ARMC and is satisfied that the ARMC has discharged its functions, powers, duties and responsibilities in accordance with its ToR.

Audit & Risk Management Committee Report (cont'd)

MEETING ATTENDANCE

During the financial year under review, a total of six (6) meetings of the ARMC were held. The attendance of the members of the ARMC is as follows:

Name	Attendance
Fong Yew Meng	5/5
Liew Peng Chuen @ Liew Ah Choy	6/6
Raja Zafura Binti Raja Zain	6/6
Lee Bao En *(resigned on 19 January 2023)*	5/5

The Group Managing Director and Group Chief Executive Officer, Senior Management, Finance Controller, the external auditors and as well as the internal auditors were invited to attend the ARMC meetings, when required.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC is collectively responsible in assisting the Board in corporate governance and compliance matters of PUC Berhad (**"PUC"** or the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**). A summary of the work and key matters undertaken by the ARMC during the financial year ended 31 December 2022 (**"FY2022"**) included the following:

Financial Statements and Reporting

1. Reviewed and discussed the Group's unaudited quarterly consolidated financial results and the Group's annual audited financial statements before recommending the same for the Board's consideration and approval prior to the release of the Group's quarterly and annual results to Bursa Malaysia Securities Berhad, ensuring that the financial reporting and disclosure requirements of relevant authorities have been complied with.

2. Reviewed the financial reporting of the Group with the external auditors and the Management, discussed and made enquiries on, amongst others:

   – any material changes made between the current and preceding or corresponding quarter or year and the reasons for any significant variances in the financial statements.

   – any significant changes in accounting policy and adoption of new or updated approved accounting standards and its impact to the financial results of the Group.

   – the assumptions and judgments made by the Management which are significant to the financial reporting and their reasonableness based on the available information and current or expected market conditions and recommended to the Board of Directors for approval that the financial reports presented a true and fair view of the Group's financial performance for the FY2022 and in compliance with the laws and regulatory requirements.

External Audit

1. Reviewed and approved the Audit Planning Memorandum with the external auditors together with their scope of work for the financial period prior to the commencement of audit.

2. Discussed the Audit Review Memorandum and their findings and recommendations arising from the audit.

3. Reviewed the scope of audit and external auditors' performance, their independence, suitability, objectivity and their services rendered including non-audit services.

4. Considered and recommended the audit fees payable to the external auditors and their re-appointment of services to the Board for approval.

5. Conducted the annual evaluation on the performance of the external auditors.

Internal Audit

1. Reviewed and approved the Annual Internal Audit Plan to ensure principal risk areas were adequately identified and covered in the plan together with the scope and coverage of the audit over the activities of the respective operating units of the Group and the basis of assessment and risks of the proposed areas of audit.

2. Reviewed the Internal Audit Reports with recommendations from the internal auditors, Management's responses and follow up actions taken by the Management.

3. Reviewed the status report on the corrective actions taken on the outstanding audit issues, submitted by the internal auditors, to ensure that all key risks and controls have been addressed.

4. Reviewed the internal audit function with particular emphasis on determining the adequacy of the scope, functions, competency, resource levels as well as the process and results of the internal audit functions.

Related Party Transactions and Recurrent Related Party Transactions

Reviewed the reports of Related Party Transactions and Recurrent Related Party Transactions as well as conflict of interest situations that may arise within the Company or the Group to ensure they were in the best interest of the Group, fair and reasonable on normal commercial terms and not detrimental to the interest of the minority shareholders and found that there were reasonable controls in monitoring the amount transacted during the financial year.

Risk Management

Reviewed and endorsed the adequacy and effectiveness of risk management, enterprise risk management, internal control system and key control process as adopted by the Group.

Employees' Share Issuance Scheme

Reviewed and verified the criteria and allocation of grants and/or options pursuant to the Employees' Share Issuance Scheme granted during the financial year.

Audit & Risk Management Committee Report (cont'd)

Internal Audit Function ("IAF")

The internal audit function which is outsourced, is independent of the activities and operations of other operating units. Its principal role is to undertake independent, regular and systematic reviews of the systems of risk management and internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively to ensure an acceptable level of risk exposure.

In line with best practices, the IAF adopts a risk-based methodology that in establishing its strategic and annual Internal Audit Planning Memorandum deploys audit resources to focus on significant risk areas which prioritises the audits in areas that have been assessed as having potentially higher risks for effective governance, risk management and internal control. Where applicable, examinations were conducted on policies, manuals and standards governing the activities, processes, systems and on analysis of the data contained in the accounting and management information systems while key Management were interviewed.

In FY2022, the IAF performed the following audits and reviews:

- Presto Related Software Development Management for Presto Technology Sdn Bhd and Enovax Pte Ltd;
- Related Party Transactions/ Recurrent Related Party Transactions for PUC Berhad;
- Customer Service Functions Review for Presto Mall Sdn Bhd; and
- Fixed Asset Monitoring and Safeguarding for PUC Berhad

The Company has four (4) internal audit reports for FY2022. The Internal Audit reports to the ARMC directly.

The total costs incurred for the IAF of the Group for FY2022 was approximately RM55,000.

Statement on Risk Management and Internal Control

The Board acknowledges the responsibilities over the risk management and internal control system in PUC Berhad ("PUC" or the "Company") and its subsidiaries (collectively referred to as the "Group"), which include the establishment of an appropriate control system and framework as well as reviewing its adequacy and integrity to safeguard shareholders' investments and the Group's assets.

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

RESPONSIBILITY

The Board assumes the responsibility for the effectiveness and adequacy of the Group's risk management and internal control system and has established the Terms of Reference to assist in discharging their responsibility. As such the Board has delegated the responsibility of undertaking this process of periodic review to the Audit and Risk Management Committee (**"ARMC"**), whose responsibilities and duties are detailed in the ARMC Report section of this Annual Report. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

The risk management and internal controls cover not only financial aspects of the Group, but also operational, control system and compliance aspect of the Group. However, the Board recognises that these systems are designed to manage and mitigate the business and operational risks. The systems provide reasonable, but not absolute, assurance against the occurrence of any material misstatement, losses, fraud or breaches of laws or regulations.

The Board is assisted by Management in implementing policies and procedures on risk management by identifying and analysing risk profiles, the Company implements internal controls to manage and mitigate these risks and monitors the effectiveness of the risk management and control activities.

The Board's risk management approach has continued to evolve in line with the Group's expanding activities. During the financial year, the Group continued its diversification from the media business to e-commerce and fintech businesses, which is expected to contribute significantly to the Group's revenue in the coming years. The Group is also committed to explore growth in overseas markets. The Group has identified suitable joint ventures to further develop and will continue to seek other collaboration opportunities.

RISK MANAGEMENT

The Board entrusts the ARMC with the overall responsibility to regularly review its operational performance to map with its risk profile. The ARMC is assisted by the Key Senior Management to continue monitoring the risk management activities of the Group.

The Board and the Management practise a proactive approach in identifying significant risks in the business operations, processes and activities of the Group. Strategic, operational and project risks will be highlighted and deliberated in the ARMC and/or the Board meetings on quarterly basis or as and when the need arises. The ARMC has established the Risk Management Policy and Framework ("**Framework**") and this Framework provides an on-going process for identifying, evaluating and managing the significant risks faced by the Group that may affect the achievement of the Group's corporate objectives.

Statement on Risk Management and Internal Control (cont'd)

The Group's Framework encompasses the following key elements:

i. Identification of potential business risk inherent in the media and advertising, and e-commerce and fintech businesses;

ii. Implementation of proper internal controls and procedures to manage identified risks;

iii. Provision of a sound risk management and internal control system as required by the Malaysian Code on Corporate Governance (**"MCCG"**);

iv. Instil confidence in the standards of the Group's management policies and procedures amongst its stakeholders;

v. Empowering and equipping the Group with effective policies and procedures for maintaining a competitive edge in the market; and

vi. Sustainability and strategy policies to ensure business continuity of the Group in the event of unexpected circumstances.

The Group's Risk Management activities are guided by the following Enterprise Risk Management (**"ERM"**) framework and steps for the organisation's risk management process, taking reference from the internationally accepted Committee of Sponsoring Organizations of the Treadway Commission (**"COSO"**) ERM Framework – Integrating with Strategy and Performance.

The Group's risk management process can be briefly summarised as follows:-

MISSION, VISION AND CORE VALUES



Governance and Culture

1. Exercises Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops and Retains Capable Individuals

STRATEGY DEVELOPMENT



Strategy and Objective-setting

6. Analyses Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives

BUSINESS OBJECTIVE FORMULATION



Performance

10. Identifies Risk
11. Assesses Severity of Risk
12. Prioritises Risks
13. Implements Risk Responses
14. Develops Portfolio View

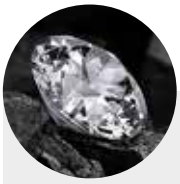
IMPLEMENTATION AND PERFORMANCE



Review and Revision

15. Assesses Substantial Change
16. Reviews Risk and Performance
17. Pursues Improvement in Enterprise Risk

ENHANCE VALUE



Information, Communication and Reporting

18. Leverages Information and Technology
19. Communicates Risk Information
20. Reports on Risk, Culture and Performance

Risk Identification, Assessment and Response

The Management of each Business Unit, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievements taking into consideration the effectiveness of controls that are capable of mitigating such risks. The Management identifies new, emerging, and changing risks that disrupt operations and affect the reasonable expectation of achieving strategy and business objectives. Identifying new and emerging risks, or changes in existing risks, allows management to look into the future to assess the potential severity of the risks.

Risk Performance and Review

The Management shall review the Group's performance to determine how risk has manifested and impacted strategy and business objectives compared to the risk tolerance of the Group. It also provides an approach for measuring whether risks related to the achievement of strategy and business objectives are acceptable or otherwise.

Risk Information Communication and Reporting

The Management has responsibility for ensuring there are adequate operating procedures and practices in place to identify, assess and manage risk in their direct areas of responsibility and test control systems for effectiveness and relevance. Additionally, the Management has responsibility to be generally involved in the management and treatment of risk throughout.

The Management shall report to the ARMC on current events, new developments and potential exposures to losses, as identified through the risk management practice at least annually. ARMC upon receiving the relevant report, reviews and recommends to the Board any action plan(s) it deems appropriate to strengthen the risk management process and internal controls.

INTERNAL CONTROL

The Board has assigned the ARMC the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The ARMC reviews internal control matters and updates the Board on significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during Board meetings and any significant fluctuation or exceptionality noted will be analysed and acted upon in a timely manner.

The key elements of the Group's internal control systems are as follows:-

(a) The Board has delegated to the ARMC the task of undertaking a periodic review of the effectiveness, adequacy and integrity of the Group's risk management framework and internal control systems;

(b) A formal organisation structure with well-defined scopes of responsibility, clear lines of accountability and appropriate levels of delegated authority;

(c) The Group has developed and maintained documented policies, procedures and process flows for its key business operations with appropriate levels of delegated authority. The documented internal policies, procedures and processes are in place to ensure compliance with internal control and relevant laws and regulations;

(d) The Board has formalised and adopted the Code of Conduct & Ethics Policy which serve as primary guidance on the ethical and behavioural conduct of the Group. The Code of Conduct and Ethics Policy sets out the principles for dealing with conflicts of interest, insider dealings, compliance to laws and others;

(e) The Group has put in place a consistent human resource practice throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skill and experience in order to carry out their duties and responsibilities effectively and efficiently;

Statement on Risk Management and Internal Control (cont'd)

(f) Information pertaining to internal control policies, procedures and processes which are critical to the achievement of the Group's corporate objectives are communicated through established reporting lines across the Group via electronic mail system, internal meetings and briefings etc.;

(g) Periodic management meetings are held to discuss and review financial data, and the operational performance of key business units of the Group. Issues and/or matters that require the Board and Senior Management's attention will be highlighted review, deliberation and decision-making in a timely manner;

(h) Periodic reviews of adequacy and integrity of selected areas of internal control systems are carried out by our Risk and Compliance function and results of such reviews are reported to the ARMC for review, deliberation, decision making and actions; and

(i) The Group has established the Whistleblowing Policy and provided a proper channel for grievances or complaints to reach the right person in charge, if it involves the wrongdoing of management, the complaint would be channeled to the Independent Director to address the duress.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and as such as the Board has authorised the ARMC to review the effectiveness of the internal audit function. The Group has outsourced the internal audit function to an external independent professional consulting firm. The internal auditors would conduct reviews with reference to the Group's Risk Management Policy and Framework. The ARMC is currently assisted by the internal auditors who report independently and directly to the ARMC and the Board. Any issue affecting the Group from achieving its mission and vision, and the implementation of the action plans to address the risks identified will be discussed during the ARMC meetings.

The internal auditors have unrestricted access to all documents and records of the Group which may be deemed necessary in the performance of their functions. Any highlighted issues will be followed up closely to determine the extent of the recommendations that have been implemented by the Management.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the AMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. As set out in their terms of engagement, the said review procedures were performed in accordance with the Audit and Assurance Practice Guide 3 (**"AAPG3"**): *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants. AAPG3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is factually inaccurate.

BOARD ASSESSMENT

The Board remains committed towards operating a sound system of internal control and recognises the need for the system to continuously evolve to support the types of businesses and size of operations of the Group. The Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Group's system of internal control.

The Board have reviewed the system and received assurance from the GMD and the Financial Controller that the Group's risk management and internal control system is satisfied that no material losses, deficiencies, or errors arising from any inadequacy or failure of the Group's internal control system during the financial year ended 31 December 2022 and up to the date of this statement that will require disclosure in this Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 April 2023.

Additional Compliance Information

(In accordance with Rule 9 Appendix 9C of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad)

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS DURING THE FINANCIAL YEAR ENDED 2022 ("FY2022")

Share Issuance 30%

The Company had on 7 September 2021 entered into conditional subscription agreements with GPVF Sdn Bhd (**"GPVF"**), Matrix Edge Venture Sdn Bhd (**"MEV"**) and KH Lim Capital Sdn Bhd (**"KHLC"**) (**"Investors"**) (**"Subscription Agreements"**) in relation to the proposed share issuance of up to 375,060,200 new ordinary shares in the Company (**"PUC Shares**" or "**Shares"**), representing 30% of the existing total number of issued Shares, to the Investors (**"Subscription Shares"**) in accordance with the terms and conditions of the Subscription Agreements (**"Share Issuance 30%"**).

The Share Issuance 30% was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 October 2021. The Share Issuance 30% has been completed following the listing and quotation of 138,772,000, 40,000,000, 47,514,000 and 148,774,200 shares on the ACE Market of Bursa Securities on 1 December 2021, 30 December 2021, 4 January 2022 and 30 March 2022 respectively. The Company had raised total RM46.88 million of proceeds from the Share Issuance 30%.

The status of the utilisation of proceeds arising from the Share Issuance 30% as at 13 April 2023 is as follows:

Proposed utilisation of proceeds	Proposed Utilisation	Actual Utilisation	Deviation		Balance Unutilised	Expected Time Frame for Utilisation
	RM'000	RM'000	RM'000	%	RM'000	
Acquisitions and/or investments in suitable and/or complementary businesses and/or assets	15,000	12,656	(2,344)	(5%)	–	Within 24 months
Upgrading of the Presto Digital Platform	10,000	10,000	–	–	–	Within 12 months
Marketing of the Presto Digital Platform	5,000	5,000	–	–	–	Within 12 months
Working capital	16,428	18,772	2,344	5%	–	Within 12 months
Expenses in relation to the Share Issuance 30% exercise	455	455	–	–	–	Immediate
TOTAL	46,883	46,883	–	–	–	

AUDIT AND NON-AUDIT FEES

Details of statutory audit, audit-related and non-audit fees paid or made payable in the FY2022 to the External Auditors, Messr UHY are as set out below:

Fees Description	Fees paid or made payable to Messrs UHY (RM)		
	Company	Subsidiaries	Total
Audit	75,000	114,500	189,500
Non-Audit	5,000	–	5,000
Total	**80,000**	**114,500**	**194,500**

MATERIAL CONTRACT INVOLVING THE INTEREST OF THE RELATED PARTY

There was no material contract entered into by the Company or its subsidiaries involving the interest of the directors or major shareholders of the Company which were still subsisting as at FY2022 or which was entered into since the end of the previous financial year.

MATERIAL PROPERTY

Address	**Unit C-2-01, Level 2, Capital 3, Oasis Square, No. 2, Jalan PJU1A/7A, Ara Damansara, PJU1A, 47301 Petaling Jaya, Selangor Darul Ehsan.**
Type of Property	Building
Existing Use	Operational Office
Approximate Area	8,612 square feet
Tenure	Freehold
Age of Building	Approximately 11 years
Date of Acquisition	14 January 2015
Net Book Value as at 31 December 2022 (RM)	4,647,204

EMPLOYEES' SHARE ISSUANCE SCHEME ("ESIS")

The Company has established and implemented an ESIS with effect from 26 August 2020 and shall be in force for a period of five (5) years. The ESIS is governed by a By-Laws approved by the shareholders at an Extraordinary General Meeting held on 30 July 2020.

The establishment of the ESIS of up to 30% of the total number of issued shares of PUC (excluding treasury shares, if any) at any point in time comprises the following: -

(i) employees' share grant scheme of up to 10% of the total number of issued shares of PUC (excluding treasury shares, if any) at any point in time for eligible employees of the Company and its non-dormant subsidiaries (**"Eligible Person(s)"**) (**"SGS"**); and

(ii) employees' share option scheme of up to 20% of the total number of issued shares of PUC (excluding treasury shares, if any) at any point in time over the duration of the ESOS for Eligible Persons (**"ESOS"**).

Total SGS Shares Granted and ESOS Options Offered

(i) No SGS share was granted under the ESIS since its implementation up to FY2022.

(ii) Total number of ESOS Options granted, exercised and outstanding are as follows:-

Number of ESOS Options	Total	Directors and Chief Executive
Outstanding as at 1 January 2022	–	
New Granted and Accepted during FY2022	96,113,836	–
Vested during FY2022	96,113,836	–
Exercised during FY2022	96,113,836	–
Lapsed during FY2022	–	–
Outstanding as at 31 December 2022	–	-

Maximum Allocation Applicable to Directors and Senior Management

Percentages of SGS shares and ESOS options applicable to directors and senior management under the ESIS during the financial year and since its implementation up to the 31 December 2022 are set out below:-

Directors and Senior Management	Percentage of Total SGS Shares and ESOS Options (%)	
	During the FY2022	Since Implementation up to 31 December 2022
Aggregate Maximum Allocation (By-Law 4.1(c))	–	50%
Actual granted / offered	0%	0%

SGS Shares Granted and ESOS Option Offered to Non-Executive Directors

No SGS share was granted to or ESOS option was offered to the non-executive directors under the ESIS since its commencement up to FY2022.

Analysis of Securities Holdings

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023

Total number of issued shares : 1,821,375,479
Class of shares : Ordinary shares
Voting rights : One vote per ordinary share

Distribution of Shareholdings

Shareholdings	No. of shareholders	No. of shares held	%
Less than 100 shares	952	20,664	0.00[1]
100 to 1,000 shares	986	476,631	0.03
1,001 to 10,000 shares	3,115	17,662,215	0.97
10,001 to 100,000 shares	3,941	167,738,051	9.21
100,001 to less than 5% of issued shares	1,439	1,472,951,718	80.87
5% and above of issued shares	1	162,526,200	8.92
Total	**10,434**	**1,821,375,479**	**100.00**

Note:-

(1) *Negligible by virtue of being less than 0.01%.*

Substantial Shareholders

Name	No. of shares held			
	Direct	%	Indirect	%
GPVF Sdn Bhd (**"GPVF"**)	162,526,200	8.92	–	–
Kenyalang Borneo Sdn Bhd	–	–	162,526,200[1]	8.92
Genting Plantations Berhad	–	–	162,526,200[2]	8.92
Genting Berhad	–	–	162,526,200[3]	8.92

Note:-

(1) *Deemed interest pursuant to Section 8 of the CA 2016, by virtual of it being the holding company of GPVF.*

(2) *Deemed interest pursuant to Section 8 of the CA 2016, by virtual of it being the holding company of Kenyalang Borneo Sdn Bhd, which is the holding company of GPVF.*

(3) *Deemed interest pursuant to Section 8 of the CA 2016, by virtual of its shareholding in Genting Plantations Berhad, which is the holding company of Kenyalang Borneo Sdn Bhd, which in turn is the holding company of GPVF.*

Directors' Shareholdings

Name	No. of shares held			
	Direct	%	Indirect	%
Datuk Oh Chong Peng	1,000,000	0.05	–	–
Cheong Chia Chou	58,280,000	3.20	–	–
Liew Peng Chuen @ Liew Ah Choy	500,000	0.03	200,000[1]	0.01
Fong Yew Meng	133,474	0.01	–	–

Notes:-

(1) *Deemed interest pursuant to Section 59(11)(c) of the CA 2016, by virtue of his spouse's shareholding in PUC.*

List of Top Thirty (30) Largest Shareholders

No.	Name	Shares	%
1	GPVF SDN. BHD.	162,526,200	8.92
2	CHONG LOONG MEN	75,000,000	4.12
3	CHEOW SOOK MEI	72,386,700	3.97
4	KENANGA NOMINEES (ASING) SDN BHD - EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	58,554,000	3.21
5	LEONG SUI LAI	50,020,000	2.75
6	HEAP WEI GUAN	38,298,135	2.10
7	RHB NOMINEES (TEMPATAN) SDN BHD - CAROLYN WONG TARNN YOONG	35,000,000	1.92
8	DARABIF SDN. BHD.	32,859,191	1.80
9	UOB KAY HIAN NOMINEES (ASING) SDN BHD - EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	28,480,360	1.56
10	ANG KIAN YOU	25,576,700	1.40
11	NG YOKE HIN	23,520,200	1.29
12	TONG WHYE MENG	20,020,000	1.10
13	LIM EE MAE	20,020,000	1.10
14	CHOR ZHENYI	20,004,000	1.10
15	CHENG WAN SIA	20,000,000	1.10
16	ENG YI LIN, EILEEN	20,000,000	1.10
17	LIM SOON TUT	19,300,060	1.06
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TEH BAT KUAN	16,000,000	0.88
19	RHB NOMINEES (TEMPATAN) SDN BHD - CHAN SHOOK FUN	15,000,000	0.82
20	ANG JOO SENG	14,200,000	0.78
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WAN HAZREEK PUTRA HUSSAIN YUSUF (7006995)	13,325,000	0.73
22	TAN HWEE KIANG ROLAND	12,392,400	0.68
23	SG FORTUNES SDN BHD	11,031,816	0.61
24	BOO ZI JIUN	10,899,000	0.60
25	NG CHIN TONG	10,650,000	0.58
26	TAN HOCK KIEN	9,350,000	0.51
27	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	9,135,800	0.50
28	LIM SHAN ZHEN	9,000,000	0.49
29	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	8,127,130	0.45
30	SUPERB GO SDN BHD	8,074,534	0.44

Analysis of Securities Holdings (cont'd)

ANALYSIS OF WARRANT-A HOLDINGS AS AT 31 MARCH 2023

No. of Warrants-A issued as at 26 December 2014	: 132,791,321
No. of Warrants-A exercised	: 27,427
No. of Warrants-A unexercised after consolidation of 5 Warrants-A into 1 Warrant-A	: 26,552,111
Expiry date of the Warrants-A	: 25 December 2024
Adjusted exercise price of each Warrant-A	: RM0.50 per ordinary share

Distribution of Warrant-A Holdings

Warrant-A Holdings	No. of warrant holders	No. of warrants held	%
Less than 100 warrants	1,106	25,249	0.10
100 to 1,000 warrants	435	173,083	0.65
1,001 to 10,000 warrants	314	1,450,317	5.46
10,001 to 100,000 warrants	220	8,132,540	30.63
100,001 to less than 5% of issued warrants	55	16,770,922	63.16
5% and above of issued warrants	–	–	–
Total	**2,130**	**26,552,111**	**100.00**

Substantial Warrant-A Holders

There are no substantial Warrant-A holders

Directors' Warrant-A Holdings

Name	No. of warrants held			
	Direct	%	Indirect	%
Fong Yew Meng	2,914	0.01	–	–

List of Top Thirty (30) Largest Warrant-A Holders

No.	Name	Warrants	%
1	ADRIAN YEI ZHENG YIK	1,127,300	4.25
2	REDHOT MEDIA INTERNATIONAL LIMITED	1,076,100	4.05
3	HLIB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LAI WAY LIK (CCTS)	878,000	3.31
4	CHARLES ROSS MCKINNON	852,800	3.21
5	PUC FOUNDER (M) SDN BHD	770,000	2.90
6	ONG KENG TEONG	712,580	2.68
7	TAN KHEAK CHUN	700,040	2.64
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TAN KOK HENG (TAN1258C)	597,200	2.25
9	CHIANG YING YING	491,200	1.85
10	MOHD FADZIL BIN MD ASAR	451,700	1.70
11	TAN LI CHIN	394,800	1.49
12	CHONG KAH SIONG	363,585	1.37
13	LIM CHIN AIK	340,900	1.28
14	TAN CHIN ANN	300,000	1.13
15	TEE YEOW	300,000	1.13
16	RUSLINA BINTI MAMAT	278,100	1.05
17	EWE HONG KHOON	276,897	1.04
18	TEH SWEE LOKE	266,000	1.00
19	GAN HOCK CHUAN	255,000	0.96
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN LI CHIN (E-TCS)	252,900	0.95
21	WONG BEE CHENG	252,000	0.95
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD - ONG SENG TEIK	250,000	0.94
23	KHOO KOK LEONG	244,920	0.92
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TANG XIAO PEI (E-KLG)	236,700	0.89
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LOW AH KOU (E-SPI)	221,600	0.83
26	AMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SOH HOCK SENK	200,000	0.75
27	SUSAN LIEW SHAU NYEE	200,000	0.75
28	KHOR WENG THYE	200,000	0.75
29	SHARIFFUDIN BIN ABD RASID	200,000	0.75
30	TAN KONG HAN	200,000	0.75

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Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Loss for the financial year	(53,563,331)	(155,170,943)
Attributable to:		
Owners of the parent	(53,563,331)	(155,170,943)
Non-controlling interests	–	–
	(53,563,331)	(155,170,943)

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital through the issuance of:

(i) 196,288,200 new ordinary shares pursuant to the private placement exercise at issue price RM0.125 per ordinary share;

(ii) 96,113,836 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at exercise price of RM0.0275 per ordinary share;

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

There was no issuance of debentures during the financial year.

WARRANTS

Warrants 2014/2024 ("Warrants-A")

The Warrants-A were constituted under the Deed Poll dated 6 November 2014.

As at 31 December 2022, the total number of Warrants-A that remained unexercised were 26,552,111.

The salient terms of the Warrants-A are disclosed in Note 20(e) to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

At the Extraordinary General Meeting held on 30 July 2020, the Company's shareholders approved the establishment of Employees' Share Issuance Scheme ("ESIS") for eligible Directors and employees of the Group, which is effective for 5 years from 26 August 2020 to 25 August 2025.

The salient features of the ESIS are disclosed in Note 37 to the financial statements.

DIRECTORS

The Directors in office since the beginning of the current financial year to the date of this report are:

Cheong Chia Chou*	
Liew Peng Chuen @ Liew Ah Choy*	
Datuk Oh Chong Peng*	
Raja Zafura Binti Raja Zain	
Hafez Mohd Hashim Bin Razman Md Haslim	
Fong Yew Meng*	*(appointed on 28 February 2022)*
Ng Say Beng	*(appointed on 1 August 2022)*
Dato' Sri Adnan Bin Wan Mamat	*(appointed on 14 November 2022)*
Ooi Kah Hoe	*(appointed on 19 January 2023)*
Nathaniel Grant David Sherick	*(demised on 21 January 2022)*
Wan Hazreek Putra Hussain Yusuf	*(retired on 28 June 2022)*
Lee Bao En	*(resigned on 19 January 2023)*

* *Director of the Company and of its subsidiary companies*

DIRECTORS (CONT'D)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year to the date of this report are:

Tong Whye Meng
Lim Ee Mae *(appointed on 16 August 2022)*

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company or its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.01.2022/ date of appointment	Addition	Disposal	At 31.12.2022
Interests in the Company				
Direct interests:				
Liew Peng Chuen @ Liew Ah Choy	500,000	–	–	500,000
Cheong Chia Chou	58,280,000	–	–	58,280,000
Datuk Oh Chong Peng	–	1,000,000	–	1,000,000
Fong Yew Meng	133,474	–	–	133,474
Indirect interests:				
Liew Peng Chuen @ Liew Ah Choy*	200,000	–	–	200,000
Dato' Sri Adnan Bin Wan Mamat[&]	–	125,020,000	–	125,020,000

	Number of warrants-A			
	At date of appointment	Addition	Disposal	At 31.12.2022
Interests in the Company				
Direct interests:				
Fong Yew Meng	2,914	–	–	2,914

* Deemed interest by virtue of shares held by spouse.

[&] Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his shareholding in Matrix Edge Venture Sdn Bhd and Borneo Armor Sdn Bhd, which owns 20% equity interest in Matrix Edge Venture Sdn Bhd.

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interests in the shares of the Company, the directors are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company as an interest under Section 8 of the Companies Act, 2016 in Malaysia.

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company or of 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 a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) 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.

The details of the directors' remuneration for the financial year ended 31 December 2022 are set out below:

	Group	Company
	RM	RM
Salaries, wages and other emolument	440,000	440,000
Fees	305,278	290,278
Social security costs	643	643
Other benefits	16,507	16,507
	762,428	747,428

Neither during nor at the end of the financial year, was the Group or the Company a party to any arrangement whose object was 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 AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors of the Company were RM15,350,000 and RM41,144 respectively. No indemnity was given to or insurance effected for auditors of the Company.

OTHER STATUTORY INFORMATION

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

(i) 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 satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

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

(b) At the date of this report, the Directors are not aware of any circumstances:

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

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

(iii) 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; or

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

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

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

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

(d) In the opinion of the Directors:

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

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

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

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 are as follows:

	Group	Company
	RM	RM
Auditors' remuneration:		
UHY	189,500	75,000
Other auditor	49,500	–
	239,000	75,000

SIGNIFICANT EVENTS

The significant events are disclosed in Note 38 to the financial statements.

AUDITORS

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 April 2023.

DATUK OH CHONG PENG

CHEONG CHIA CHOU

KUALA LUMPUR

Statement by Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 111 to 206 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 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 dated 28 April 2023.

DATUK OH CHONG PENG

CHEONG CHIA CHOU

KUALA LUMPUR

Statutory Declaration

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

I, Chor Zhenyi (MIA Membership No: 30298), being the officer primarily responsible for the financial management of PUC Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 111 to 206 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 28 April 2023)

_____

CHOR ZHENYI

Before me,

No. W790
ZAINUL ABIDIN BIN AHMAD
Commissioner For Oaths

Independent Auditors' Report

To the members of PUC Berhad
Registration No.: 199701036234 (451734-A) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PUC Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 111 to 206.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
Impairment assessment on the carrying amount of software development expenditure As disclosed in Note 6, the carrying amount of software development expenditure of the Group amounted to RM76,091,149 as at 31 December 2022. These expenditures consist of software development and expenditure for presto projects, loyalty programme and integration system, recurring payment system, global payment acceptance system, facial recognition software, hotel reservation management system, E-wallet smart payment terminal apps, online travel agency system, online ticketing system, logistic and delivery management system, credit system, EDM system and etc. Subsidiaries in the Group which hold the software development expenditure are in loss making positions. Accordingly, an impairment assessment was performed in accordance with MFRS 136 *Impairment of Assets*. The Group estimates the recoverable amounts of the software development expenditure based on value-in-use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows of cash-generating units and discounting them at an appropriate rate. Such estimates are highly subjective and accordingly we consider this to be an area of audit focus.	We have performed the following audit procedures: • Obtained management's impairment calculations to assess the appropriateness and reasonableness of the assumptions used in the VIU calculation for determining recoverable amounts. • Discussed with management on the progress and status of the projects. • Challenged the key assumptions employed in the calculation including the discount rate employed and its methodology and constituent inputs. • Performed sensitivity analysis to stress test the key assumptions in the cash flow projection which included changes to volume, margin and the discount rate applied. • Assessed the adequacy and appropriateness of the related disclosure in the financial statements.

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 in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial 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 companies of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

OTHER MATTER

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

UHY
Firm Number: AF 1411
Chartered Accountants

KUALA LUMPUR
28 April 2023

HAR HOU WEI
Approved Number: 03665/05/2024 J
Chartered Accountant

Statements of Financial Position

As at 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non–Current Assets					
Property, plant and equipment	4	**4,781,290**	5,845,821	**104,354**	176,930
Right-of-use assets	5	**39,510**	82,611	**–**	–
Software development expenditure	6	**76,091,149**	65,038,911	**–**	–
Investment in subsidiary companies	7	**–**	–	**33,920,319**	76,017,682
Investment in associates	8	**62,853,729**	66,903,864	**48,355,041**	48,355,041
Investment in joint venture companies	9	**354,919**	–	**–**	–
Intangible assets	10	**1,420,047**	9,478,078	**–**	–
Other investments	11	**11,666,100**	12,000,000	**11,666,000**	12,000,000
Lease receivables	12	**–**	55,121	**–**	–
		157,162,744	159,404,406	**94,001,714**	136,549,653
Current Assets					
Inventories	13	**–**	8,636,744	**–**	–
Other investments	11	**2,732**	2,690	**2,731**	2,689
Contract asset	14	**99,930**	172,204	**–**	–
Trade receivables	15	**14,122,422**	19,509,566	**–**	–
Other receivables	16	**7,178,589**	13,933,784	**5,937,401**	1,276,691
Lease receivables	12	**55,121**	537,855	**–**	–
Amount due from subsidiary companies	17	**–**	–	**65,291,855**	151,343,371
Tax recoverable		**152,056**	82,881	**1,807**	2,362
Deposits, bank and cash balances	18	**2,262,427**	6,943,021	**21,654**	3,061,377
		23,873,277	49,818,745	**71,255,448**	155,686,490
Total Assets		**181,080,021**	209,223,151	**165,301,162**	292,236,143

Statements of Financial Position (cont'd)

As at 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	19	**420,510,157**	392,935,979	**424,342,912**	396,768,734
Reserves	20	**(249,678,638)**	(195,265,702)	**(279,600,417)**	(124,095,474)
Total Equity		**170,787,519**	197,670,277	**144,698,495**	272,673,260
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	21	**–**	40,679	**–**	–
Bank borrowings	22	**3,145,434**	3,403,866	**–**	–
		3,145,434	3,444,545	**–**	–
Current Liabilities					
Contract liabilities	14	**451,803**	329,654	**–**	–
Trade payables	23	**936,430**	1,220,113	**–**	–
Other payables	24	**5,315,154**	6,223,720	**274,794**	193,575
Amount due to subsidiary companies	17	**–**	–	**20,240,494**	19,369,308
Amount due to directors		**43,379**	–	**43,379**	–
Lease liabilities	21	**40,679**	42,117	**–**	–
Bank borrowings	22	**267,812**	245,272	**–**	–
Tax payable		**47,811**	47,453	**–**	–
		7,103,068	8,108,329	**20,558,667**	19,562,883
Total Liabilities		**10,248,502**	11,552,874	**20,558,667**	19,562,883
Total Equity and Liabilities		**181,080,021**	209,223,151	**165,301,162**	292,236,143

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

Statements of Profit or Loss and other Comprehensive Income

For the financial year ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	25	**19,245,348**	23,273,649	**–**	–
Cost of sales		**(17,703,995)**	(20,651,979)	**–**	–
Gross profit		**1,541,353**	2,621,670	**–**	–
Other income		**6,411,653**	1,226,510	**7,632,672**	970,773
Administrative and selling expenses		**(44,437,141)**	(54,151,100)	**(45,686,635)**	(72,161,291)
Amortisation of intangible assets		**(2,009,847)**	(3,985,116)	**–**	–
Net loss on impairment of financial instruments		**(10,816,335)**	(1,930,011)	**(117,110,531)**	(8,772,401)
Loss from operations		**(49,310,317)**	(56,218,047)	**(155,164,494)**	(79,962,919)
Finance costs	26	**(128,303)**	(1,169,818)	**–**	(1,023,569)
Share of results of associates, net of tax		**(4,050,735)**	(4,920,549)	**–**	–
Share of results of joint venture companies, net of tax		**(45,169)**	(4)	**–**	–
Loss before tax	27	**(53,534,524)**	(62,308,418)	**(155,164,494)**	(80,986,488)
Taxation	28	**(28,807)**	(121,842)	**(6,449)**	–
Loss for the financial year		**(53,563,331)**	(62,430,260)	**(155,170,943)**	(80,986,488)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		**(515,605)**	(52,513)	**–**	–
Items that are not reclassified subsequently to profit or loss					
- Fair value loss of fair value through other comprehensive income		**(334,000)**	–	**(334,000)**	–
Total comprehensive loss for the financial year		**(54,412,936)**	(62,482,773)	**(155,504,943)**	(80,986,488)

Statements of Profit or Loss and other Comprehensive Income (cont'd)

For the financial year ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Loss for the financial year attributable to:					
Owners of the parent		**(53,563,331)**	(62,430,260)	**(155,170,943)**	(80,986,488)
Non-controlling interests		**–**	–	**–**	–
		(53,563,331)	(62,430,260)	**(155,170,943)**	(80,986,488)
Total comprehensive loss for the financial year attributable to:					
Owners of the parent		**(54,412,936)**	(62,482,773)	**(155,504,943)**	(80,986,488)
Non-controlling interests		**–**	–	**–**	–
		(54,412,936)	(62,482,773)	**(155,504,943)**	(80,986,488)
Loss per share					
Basic (sen)	29(a)	**(3.34)**	(5.85)	**–**	–
Diluted (sen)	29(b)	**(3.34)**	(5.85)	**–**	–

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

Statements of Changes in Equity

For the financial year ended 31 December 2022

Group	Attributable to Owners of the Parent								
	<---------- Non-Distributable ---------->								
	Share capital RM	Employees' share option scheme ("ESOS") reserves RM	Other reserves RM	Foreign currency translation reserve RM	Reverse acquisition debit RM	Warrants reserve RM	Fair value reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022	**392,935,979**	**–**	**(14,845,692)**	**(192,267)**	**(36,809,064)**	**16,714,974**	**–**	**(160,133,653)**	**197,670,277**
Loss for the financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(53,563,331)**	**(53,563,331)**
Other comprehensive loss for the financial year	**–**	**–**	**–**	**(515,605)**	**–**	**–**	**(334,000)**	**–**	**(849,605)**
Total comprehensive loss for the financial year	**–**	**–**	**–**	**(515,605)**	**–**	**–**	**(334,000)**	**(53,563,331)**	**(54,412,936)**
Transactions with owners:									
Issue of ordinary shares									
– Private placement (Note 19)	**24,536,025**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**24,536,025**
– Issuance of ESOS (Note 37)	**–**	**395,022**	**–**	**–**	**–**	**–**	**–**	**–**	**395,022**
– Exercise of ESOS (Note 19)	**3,038,153**	**(395,022)**	**–**	**–**	**–**	**–**	**–**	**–**	**2,643,131**
	27,574,178	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**27,574,178**
At 31 December 2022	**420,510,157**	**–**	**(14,845,692)**	**(707,872)**	**(36,809,064)**	**16,714,974**	**(334,000)**	**(213,696,984)**	**170,831,519**

Group	Attributable to Owners of the Parent							
	<---------- Non-Distributable ---------->							
	Share capital RM	Employees' share option scheme ("ESOS") reserves RM	Other reserves RM	Foreign currency translation reserve RM	Reverse acquisition debit RM	Warrants reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2021	290,577,205	1,199,713	(14,845,692)	(139,754)	(36,809,064)	16,714,974	(97,703,393)	158,993,989
Loss for the financial year	–	–	–	–	–	–	(62,430,260)	(62,430,260)
Other comprehensive loss for the financial year	–	–	–	(52,513)	–	–	–	(52,513)
Total comprehensive loss for the financial year	–	–	–	(52,513)	–	–	(62,430,260)	(62,482,773)
Transactions with owners:								
Issue of ordinary shares								
– Private placement (Note 19)	16,401,540	–	–	–	–	–	–	16,401,540
– Share issuance (Note 19)	22,346,500	–	–	–	–	–	–	22,346,500
– Issuance of ESOS (Note 37)	–	1,474,018	–	–	–	–	–	1,474,018
– Exercise of ESOS (Note 19)	31,610,734	(2,673,731)	–	–	–	–	–	28,937,003
– Share-based settlment	32,000,000	–	–	–	–	–	–	32,000,000
	102,358,774	(1,199,713)	–	–	–	–	–	101,159,061
At 31 December 2021	392,935,979	–	(14,845,692)	(192,267)	(36,809,064)	16,714,974	(160,133,653)	197,670,277

Statements of Changes in Equity (cont'd)

For the financial year ended 31 December 2022

Company	Attributable to Owners of the Parent						
	<---------- Non-Distributable ---------->						
	Share capital RM	Employees' share option scheme ("ESOS") reserves RM	Other reserves RM	Warrants reserve RM	Fair value reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022	**396,768,734**	**–**	**(16,714,974)**	**16,714,974**	**–**	**(124,095,474)**	**272,673,260**
Loss for the financial year	**–**	**–**	**–**	**–**	**–**	**(155,170,943)**	**(155,170,943)**
Other comprehensive loss for the financial year	**–**	**–**	**–**	**–**	**(334,000)**	**–**	**(155,504,943)**
Total comprehensive loss for the financial year	**–**	**–**	**–**	**–**	**(334,000)**	**(155,170,943)**	**(155,504,943)**
Transactions with owners:							
Issue of ordinary shares							
– Private placement (Note 19)	**24,536,025**	**–**	**–**	**–**	**–**	**–**	**24,536,025**
– Issuance of ESOS (Note 37)	**–**	**395,022**	**–**	**–**	**–**	**–**	**395,022**
– Exercise of ESOS (Note 19)	**3,038,153**	**(395,022)**	**–**	**–**	**–**	**–**	**2,643,131**
	27,574,178	**–**	**–**	**–**	**–**	**–**	**27,574,178**
At 31 December 2022	**424,342,912**	**–**	**(16,714,974)**	**16,714,974**	**(334,000)**	**(279,266,417)**	**144,742,495**

Company	Attributable to Owners of the Parent					
	<---------- Non-Distributable ---------->					
	Share capital RM	Employees' share option scheme ("ESOS") reserves RM	Other reserves RM	Warrants reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2021	294,409,960	1,199,713	(16,714,974)	16,714,974	(43,108,986)	252,500,687
Loss for the financial year, representing total comprehensive loss for the financial year	–	–	–	–	(80,986,488)	(80,986,488)
Transactions with owners:						
Issuance of ordinary shares						
– Private placement (Note 19)	16,401,540	–	–	–	–	16,401,540
– Share issuance (Note 19)	22,346,500	–	–	–	–	22,346,500
– Issuance of ESOS (Note 37)	–	1,474,018	–	–	–	1,474,018
– Exercise of ESOS (Note 19)	31,610,734	(2,673,731)	–	–	–	28,937,003
– Share-based settlment	32,000,000	–	–	–	–	32,000,000
	102,358,774	(1,199,713)	–	–	–	101,159,061
At 31 December 2021	396,768,734	–	(16,714,974)	16,714,974	(124,095,474)	272,673,260

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

Statements of Cash Flows

For the financial year ended 31 December 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash Flows From Operating Activities				
Loss before tax	**(53,534,524)**	(62,308,418)	**(155,164,494)**	(80,986,488)
Adjustments for:				
Amortisation of:				
– Software development expenditure	**12,512,716**	9,749,895	**–**	–
– Intangible assets	**2,009,847**	3,985,116	**–**	–
Depreciation of:				
– Property, plant and equipment	**913,512**	1,028,973	**80,076**	117,704
– Right-of-use assets	**43,101**	298,915	**–**	–
Unwinding of discount on other receivables	**–**	(27,916)	**–**	–
Dividends received from mutual funds	**(42)**	(45)	**(42)**	(45)
Fair value loss of other investments	**334,000**	–	**334,000**	–
Finance costs	**128,303**	1,169,818	**–**	1,023,569
Loss/(Gain) on deconsolidation of subsidiary companies	**15,372**	(2,832)	**–**	–
(Gain)/Loss on disposal of:				
– Property, plant and equipment	**–**	(131)	**–**	–
– Investment in subsidiary companies	**–**	–	**–**	1,998
Impairment loss on:				
– Intangible assets	**3,435,684**	18,030,984	**–**	–
– Investment in subsidiary companies	**–**	–	**42,492,385**	67,805,547
– Other receivables	**1,630,446**	27,270	**1,275,005**	4,542
– Trade receivables	**9,412,900**	2,093,889	**–**	–
– Amount due from subsidiary companies	**–**	–	**115,834,805**	8,767,859
Operating (loss)/profit before working capital changes carried forward	**(23,098,685)**	(25,954,482)	**4,851,735**	(3,265,314)

Statements of Cash Flows (cont'd)

For the financial year ended 31 December 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash Flows From Operating Activities (cont'd)				
Operating (loss)/profit before working capital changes brought forward	**(23,098,685)**	(25,954,482)	**4,851,735**	(3,265,314)
Interest income	**(449,123)**	(115,766)	**(1,542,816)**	(853,850)
Reversal of impairment loss on:				
– Other receivables	**–**	(10,886)	**–**	–
– Trade receivables	**(227,011)**	(180,262)	**–**	–
– Amount due from subsidiary companies	**–**	–	**(5,730,840)**	–
Reversal of inventories written down	**–**	(9,064)	**–**	–
Share-based payment expenses	**395,022**	1,474,018	**395,022**	–
Share of result from, net of tax:				
– associates	**4,030,130**	4,920,549	**–**	–
– joint venture companies	**45,169**	4	**–**	–
Unrealised loss on foreign exchange	**(547,032)**	(370,484)	**(356,357)**	(85,376)
Written off of:				
– Property, plant and equipment	**100,000**	21,891	**–**	–
– Software development expenditure	**1,100,000**	329,634	**–**	–
– Intangible assets	**2,612,500**	–	**–**	–
– Inventories	**3,032**	–	**–**	–
– Amount due from a subsidiary company	**–**	–	**–**	33,756
– Trade receivables	**66**	112,499	**–**	–
– Other receivables	**–**	28,675	**–**	–
Operating loss before working capital changes	**(16,015,327)**	(19,753,674)	**(2,383,256)**	(4,170,784)
Changes in working capital				
Inventories	**8,633,712**	16,806,326	**–**	–
Contract asset/liabilities	**194,423**	–	**–**	–
Trade receivables	**(3,497,733)**	(17,435,837)	**–**	–
Other receivables	**5,118,783**	(9,940,451)	**(5,579,358)**	(929,747)
Lease receivables	**537,855**	466,680	**–**	–
Trade payables	**(37,729)**	415,946	**–**	–
Other payables	**(859,025)**	(166,040)	**124,598**	(526,367)
	10,090,286	(9,853,376)	**(5,454,760)**	(1,456,114)
Cash used in operations	**(5,925,041)**	(29,607,050)	**(7,838,016)**	(5,626,898)
Tax refunded	**–**	177,607	**555**	–
Tax paid	**(97,624)**	(113,708)	**(6,449)**	(1,012)
Currency translation differences	**(460,524)**	(11,086)	**–**	–
	(558,148)	52,813	**(5,894)**	(1,012)
Net cash used in operating activities	**(6,483,189)**	(29,554,237)	**(7,843,910)**	(5,627,910)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash Flows From Investing Activities				
Interest received	**449,123**	115,766	**1,542,816**	853,850
Addition of:				
– Property, plant and equipment (Note 4)	**(7,500)**	(12,500)	**(7,500)**	–
– Software development expenditure (Note 6)	**(29,635,735)**	(16,227,974)	**–**	–
– Intangible assets (Note 10)	**–**	(7,290,070)	**–**	–
– Investment in mutual funds	**(42)**	(45)	**(42)**	(45)
– Investment in subsidiary companies	**–**	–	**(395,022)**	–
– Investment in associated companies	**(600)**	–		
Net changes in other investments	**(334,100)**	–	**(334,100)**	–
Acquisition and subscription of:				
– Shares in joint venture companies	**(400,088)**	(3)	**–**	–
– Unquoted shares	**–**	(12,000,000)	**–**	(12,000,000)
Dividends received from mutual funds	**42**	45	**42**	45
Increase in fixed deposits pledged	**(13,368)**	(11,134)	**–**	–
Decrease in Monies held-in-trust	**(422)**	5,689	**–**	–
Proceeds from disposal of property, plant and equipment	**–**	924	**–**	–
Proceeds from disposal of software development expenditure	**5,029,385**	–	**–**	–
Net cash outflows on deconsolidation of subsidiary companies	**(15,568)**	(1,971)	**–**	–
Net changes in amount due from subsidiary companies	**–**	–	**(24,052,449)**	(50,259,409)
Net cash used in investing activities	**(24,928,873)**	(35,421,273)	**(23,246,155)**	(61,405,559)
Cash Flows From Financing Activities				
Interest paid	**(128,303)**	(146,249)	**–**	–
Proceeds from:				
– Private placement of shares	**24,536,025**	16,401,540	**24,536,025**	16,401,540
– Share issuance	**–**	22,346,500	**–**	22,346,500
– Exercise of ESOS	**2,643,131**	28,937,003	**2,643,131**	28,937,003
Net changes in amount due to subsidiary companies	**–**	–	**871,186**	(19,842)
Payment of lease liabilities	**(42,117)**	(300,234)	**–**	–
Repayment of term loan	**(235,892)**	(307,696)	**–**	–
Net cash from financing activities	**26,772,844**	66,930,864	**28,050,342**	67,665,201

Statements of Cash Flows (cont'd)

For the financial year ended 31 December 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net (decrease)/increase in cash and cash equivalents	**(4,639,218)**	1,955,354	**(3,039,723)**	631,732
Cash and cash equivalents at the beginning of the financial year	**6,136,028**	4,222,630	**3,061,377**	2,429,627
Effect of foreign translation differences on cash and cash equivalents	**(55,166)**	(41,956)	**–**	18
Cash and cash equivalents at the end of the financial year	**1,441,644**	6,136,028	**21,654**	3,061,377
Cash and cash equivalents at the end of the financial year comprise:				
Fixed deposits with licensed banks (Note 18)	**761,825**	748,457	**–**	–
Cash and bank balances (Note 18)	**1,500,602**	6,194,564	**21,654**	3,061,377
	2,262,427	6,943,021	**21,654**	3,061,377
Less: Fixed deposits pledged for credit facilities (Note 18)	**(761,825)**	(748,457)	**–**	–
Less: Monies held-in-trust	**(58,958)**	(58,536)	**–**	–
	1,441,644	6,136,028	**21,654**	3,061,377

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

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal place of business of the Company is located at Unit C-2-01, Level 2, Capital 3, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 7.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

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

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments and annual improvements to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2021	Amendments to MFRS 1 Amendments to MFRS 9 Amendments to MFRS 16 Amendments to MFRS 141

The adoption of amendments and annual improvements to standards did not have any significant impact on the financial statements of the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standard and amendments to standards that have been issued by the MASB but are not yet effective:

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenant	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standard and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standard and amendment to standards are not expected to have any significant impacts on the financial statements of the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Software development expenditure

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for software development expenditure is disclosed in Note 6.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 10 (a) and (b).

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 13.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history and existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 15, 16 and 17.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Share-based payments

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

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 34(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2022, the Group has tax recoverable of RM152,056 (2021: RM82,881) and tax payable of RM47,811 (2021: RM47,453) and the Company has tax recoverable of RM1,807 (2021: RM2,362).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business Combination – Acquisition Method

Under the acquisition method of accounting, subsidiary companies are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceased. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Business Combination – Reverse Acquisition

On 2 January 2014, the Company completed the acquisition of the entire equity interest in Red Media Asia Ltd ("RMABV") via the issuance of 750,000,000 ordinary shares of RM0.10 each in the Company at an issue price of RM0.12 each.

Upon completion of the acquisition, the Company became the legal parent of RMABV. Due to the relative values of RMABV and the Company, the owners of RMABV became the majority shareholders in the Company, and controlling about 62.48% of the issued and paid up share capital of the Company at the date of acquisition. Furthermore, the former owners dominate the management of the combined entity. In accordance with MFRS 3 *Business Combinations*, the substance of such business combination between the Company and RMABV constituted a reverse acquisition whereby the acquirer and acquiree of the transaction for accounting purpose should be RMABV (that is the legal subsidiary or accounting parent) and the Company (that is the legal parent or accounting subsidiary) respectively.

The acquisition of RMABV is accounted for using the reverse acquisition method of accounting in accordance with MFRS 3 *Business Combinations*.

MFRS 3 requires that the consolidated financial statements be issued under the name of the legal parent (herein called "accounting acquiree" or "the Company"), but described in the notes as a continuation of the financial statements of the legal subsidiary (herein called "accounting acquirer" or "RMABV"), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of accounting acquiree. Therefore, the financial statements of the Group represent the continuation of the financial statements of RMABV except for its capital structure.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

Business Combination – Reverse Acquisition (cont'd)

The following accounting treatments have been applied in the consolidated financial statements in respect of the reverse acquisition:

(i) the assets and liabilities of RMABV have been recognised and measured at their pre-combination carrying amounts prior to the reverse acquisition;

(ii) the identifiable assets and liabilities of the Company were recorded in the statements of financial position at fair value on the date of reverse acquisition;

(iii) the retained earnings and reserves recognised in the statements of financial position are those of RMABV immediately prior to the reverse acquisition; and

(iv) the comparative financial information presented in the consolidated financial statements is that of RMABV.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(n)(i) on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation (cont'd)

(ii) Change in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) on impairment of non-financial assets.

(b) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment in associates and joint ventures (cont'd)

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is accounted for either at cost or equity method as described in MFRS 128 *Investment in Associates and Joint Ventures* from the date on which the investee becomes an associate or a joint venture. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate or a joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate or a joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate or a joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

In the Company's separate financial statements, investments in associates and joint ventures are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) on impairment of non-financial assets.

(i) Recognition and measurement

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Depreciation

Depreciation of property, plant and equipment is recognised in profit or loss on straight line basis to write down the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	50 years
Computers	3 to 5 years
Office equipment	5 to 10 years
Furniture and fittings	10 years
Plant and machinery	3 to 10 years
Renovation	5 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(e) Leases

(i) As Lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprise 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 site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	Over the lease term

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(i) As Lessee (cont'd)

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(ii) As Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Revenue". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets

(i) Internally-generated intangible assets - research and development expenditure

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

Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate all of the following:

- its ability to measure reliably the expenditure attributable to the assets under development;
- the product or process is technically and commercially feasible;
- its future economic benefits are probable;
- its ability to use or to sell the developed asset; and
- the availability of adequate technical, financial and other resources to complete the assets under development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets (cont'd)

(iv) Amortisation

Intangible assets are amortised based on the estimated useful lives of assets as follows:

Software development expenditure	5 to 10 years
Digital contents	2 to 20 years
Regional software license	2 to 5 years

(v) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The policy of recognition and measurement of impairment losses is in accordance with Note 3(n) (i) on impairment of non-financial assets.

(g) Financial assets

Recognition and initial measurement

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

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (cont'd)

Financial asset categories and subsequent measurement (cont'd)

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains or losses, impairment and any gain or loss on derecognition or modification are recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, lease receivables, amount due from subsidiary companies and deposits, bank and cash balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt investment not designated as at fair value through profit or loss, interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(b) Equity instruments

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

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group's and the Company's financial assets at FVTOCI comprise other investments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (cont'd)

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

All financial assets not classified as measured at amortised cost or FVTOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Group's and the Company's financial assets at FVTPL comprise other investments.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment in accordance with Note 3(n)(ii) on impairment of financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

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

(h) Financial liabilities

Recognition and initial measurement

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

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial liabilities (cont'd)

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

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

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in profit or loss.

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities at amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to subsidiary companies, lease liabilities and bank borrowings.

Derecognition

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

(i) 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 when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowances; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Offsetting of financial instruments

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

(k) Inventories

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition. Inventories are measured at the lower of cost (determined on the first-in, first-out basis) and net realisable value.

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

(l) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories 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 asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units 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 cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment of assets (cont'd)

(ii) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for financial assets that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment including forward-looking information, where available.

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

The Group and the Company estimate the expected credit losses on trade receivables and lease receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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 the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or 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 sources 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 procedures for recovery amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Share capital

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(p) Reserves

Warrants reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

(q) Provisions

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

Provisions are reviewed at the end of each reporting period 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(r) Employee benefits

(i) Short-term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits (cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Share-based payments

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled based transactions are set out in Note 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the reporting period, based on the Groups' estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of the reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employees benefits reserve.

(s) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised in the amount allocated to the satisfied PO.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue recognition (cont'd)

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

The Group recognises revenue from the following major sources:

(a) Sale of media and advertising services.

Revenue from sales of advertising space, public relation, database management, internet related and other electronic commerce services rendered are recognised upon rendering of services.

(b) Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which the customer simultaneously receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(c) Sale of software or hardware

Revenue from sale of software or hardware is recognised when control over the hardware or software is transferred to customer at point in time.

(d) Sale of goods

Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Following delivery of the goods to the customers, the customers have full discretion over the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 180 days which is consistent with market practice.

(e) Subscription fees

Subscription fees are derived from the fees which entitle the member to services during the membership period. It is recognised on a basis that reflects the timing, nature and value of the benefits provided.

(f) Transaction fees

Transaction fees are recognised on the completion of the transaction. Such fee is recognised based on contractual rates or amount agreed with customers and constitute a single performance obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue recognition (cont'd)

(ii) Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

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

(iv) Dividend income

Dividend income is recognised when the Group's and the Company's rights to receive payment is established.

(t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income taxes

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(w) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(x) Contingencies

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Fair value measurement

Fair value of an asset or a liability 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 of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses 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 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold building RM	Computers RM	Office equipment RM	Furniture and fittings RM	Plant and machinery RM	Renovation RM	Total RM
Group							
Cost							
At 1 January 2022	**5,500,000**	**4,048,959**	**197,825**	**416,634**	**51,542**	**914,912**	**11,129,872**
Additions	**–**	**7,500**	**–**	**–**	**–**	**–**	**7,500**
Transfer to software development expenditure	**–**	**(117,207)**	**–**	**–**	**–**	**–**	**(117,207)**
Written off	**–**	**(500,000)**	**–**	**–**	**–**	**–**	**(500,000)**
Exchange differences	**–**	**659**	**–**	**–**	**–**	**–**	**659**
At 31 December 2022	**5,500,000**	**3,439,911**	**197,825**	**416,634**	**51,542**	**914,912**	**10,520,824**
Accumulated depreciation							
At 1 January 2022	**742,796**	**3,107,082**	**147,952**	**332,321**	**51,542**	**902,358**	**5,284,051**
Transfer to software development expenditure	**–**	**(58,603)**	**–**	**–**	**–**	**–**	**(58,603)**
Written off	**–**	**(400,000)**	**–**	**–**	**–**	**–**	**(400,000)**
Charge for the financial year	**110,000**	**720,464**	**16,131**	**32,279**	**24,259**	**10,379**	**913,512**
Exchange differences	**–**	**574**	**–**	**–**	**–**	**–**	**574**
At 31 December 2022	**852,796**	**3,369,517**	**164,083**	**364,600**	**75,801**	**912,737**	**5,739,534**
Net carrying amount							
At 31 December 2022	**4,647,204**	**70,394**	**33,742**	**52,034**	**(24,259)**	**2,175**	**4,781,290**

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

	Freehold building RM	Computers RM	Office equipment RM	Furniture and fittings RM	Plant and machinery RM	Renovation RM	Total RM
Group							
Cost							
At 1 January 2021	5,500,000	5,128,773	248,577	484,234	51,542	1,029,805	12,442,931
Additions	–	12,500	–	–	–	–	12,500
Disposals	–	(1,097,064)	(29,293)	(68,620)	–	(116,628)	(1,311,605)
Written off	–	(2,956)	(21,890)	–	–	–	(24,846)
Exchange differences	–	7,706	431	1,020	–	1,735	10,892
At 31 December 2021	5,500,000	4,048,959	197,825	416,634	51,542	914,912	11,129,872
Accumulated depreciation							
At 1 January 2021	632,796	3,379,720	159,436	348,134	46,299	991,794	5,558,179
Charge for the financial year	110,000	819,212	17,378	51,683	5,243	25,457	1,028,973
Disposals	–	(1,096,382)	(29,293)	(68,509)	–	(116,628)	(1,310,812)
Written off	–	(2,955)	–	–	–	–	(2,955)
Exchange differences	–	7,487	431	1,013	–	1,735	10,666
At 31 December 2021	742,796	3,107,082	147,952	332,321	51,542	902,358	5,284,051
Net carrying amount							
At 31 December 2021	4,757,204	941,877	49,873	84,313	–	12,554	5,845,821

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

	Computers RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Total RM
Company					
Cost					
At 1 January 2022	**367,621**	**149,402**	**307,197**	**888,262**	**1,712,482**
Additions	**7,500**	**–**	**–**	**–**	**7,500**
At 31 December 2022	**375,121**	**149,402**	**307,197**	**888,262**	**1,719,982**
Accumulated depreciation					
At 1 January 2022	**335,876**	**109,686**	**213,866**	**876,124**	**1,535,552**
Charge for the financial year	**12,782**	**29,253**	**27,782**	**10,259**	**80,076**
At 31 December 2022	**348,658**	**138,939**	**241,648**	**886,383**	**1,615,628**
Net carrying amount					
At 31 December 2022	**26,463**	**10,463**	**65,549**	**1,879**	**104,354**
Cost					
At 1 January/31 December 2021	367,621	149,402	307,197	888,262	1,712,482
Accumulated depreciation					
At 1 January 2021	285,136	95,840	186,085	850,787	1,417,848
Charge for the financial year	50,740	13,846	27,781	25,337	117,704
At 31 December 2021	335,876	109,686	213,866	876,124	1,535,552
Net carrying amount					
At 31 December 2021	31,745	39,716	93,331	12,138	176,930

5. RIGHT-OF-USE ASSETS

	Buildings RM
Group	
Cost	
At 1 January 2022/31 December 2022	**86,203**
Accumulated depreciation	
At 1 January 2022	**3,592**
Charge for the financial year	**43,101**
At 31 December 2022	**46,693**
Net carrying amount	
At 31 December 2022	**39,510**
Cost	
At 1 January 2021	1,142,842
Addition	86,203
Termination of lease contracts	(1,158,805)
Exchange difference	15,963
At 31 December 2021	86,203
Accumulated depreciation	
At 1 January 2021	599,060
Charge for the financial year	298,915
Termination of lease contracts	(902,415)
Exchange difference	8,032
At 31 December 2021	3,592
Net carrying amount	
At 31 December 2021	82,611

6. SOFTWARE DEVELOPMENT EXPENDITURE

	Omni Channel (Note a) RM	Presto (Note b) RM	Total RM
Group			
Cost			
At 1 January 2022	**5,028,513**	**87,081,575**	**92,110,088**
Additions	**–**	**29,635,735**	**29,635,735**
Transfer from property, plant and equipment	**–**	**117,207**	**117,207**
Disposal	**–**	**(7,427,885)**	**(7,427,885)**
Written off	**–**	**(3,000,000)**	**(3,000,000)**
At 31 December 2022	**5,028,513**	**106,406,632**	**111,435,145**
Accumulated amortisation			
At 1 January 2022	**5,028,513**	**22,042,664**	**27,071,177**
Amortisation during the financial year	**–**	**12,512,716**	**12,512,716**
Transfer from property, plant and equipment	**–**	**58,603**	**58,603**
Disposal	**–**	**(2,398,500)**	**(2,398,500)**
Written off	**–**	**(1,900,000)**	**(1,900,000)**
At 31 December 2022	**5,028,513**	**30,315,483**	**35,343,996**
Net carrying amount			
At 31 December 2022	**–**	**76,091,149**	**76,091,149**
Cost			
At 1 January 2021	5,028,513	71,535,601	76,564,114
Additions	–	16,227,974	16,227,974
Written off	–	(682,000)	(682,000)
At 31 December 2021	5,028,513	87,081,575	92,110,088
Accumulated amortisation			
At 1 January 2021	5,024,490	12,649,158	17,673,648
Amortisation during the financial year	4,023	9,745,872	9,749,895
Written off	–	(352,366)	(352,366)
At 31 December 2021	5,028,513	22,042,664	27,071,177
Net carrying amount			
At 31 December 2021	–	65,038,911	65,038,911

(a) The development costs of OmniChannel consist of media and advertising businesses as well as the digital imaging business managed under associated company Pictureworks Holdings Sdn. Bhd. ("PWHQ").

(b) The development costs of Presto consist of electronic money, digital payment services, e-commerce and technology businesses.

6. SOFTWARE DEVELOPMENT EXPENDITURE (CONT'D)

(c) The aggregate costs for software development expenditure of the Group during the financial year acquired through cash payments are as follows:

	Group	
	2022 RM	2021 RM
Cash payments	**29,635,735**	16,227,974

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2022 RM	2021 RM
In Malaysia		
At cost		
Unquoted shares	**43,941,018**	43,941,018
Cost of investment in relation to share option granted to employee of a subsidiary company	**2,082,051**	2,082,051
	46,023,069	46,023,069
Less: Accumulated impairment losses	**(12,102,750)**	(6,602,045)
	33,920,319	39,421,024
Outside Malaysia		
At cost		
Unquoted shares	**96,200,200**	96,200,200
Cost of investment in relation to share option granted to employee of a subsidiary company	**2,044,982**	1,649,960
	98,245,182	97,850,160
Less: Accumulated impairment losses	**(98,245,182)**	(61,253,502)
	–	36,596,658
	33,920,319	76,017,682

Movements in the allowance for impairment losses are as follows:

	Company	
	2022 RM	2021 RM
At 1 January	**67,855,547**	50,000
Impairment loss recognised	**42,492,385**	67,805,547
At 31 December	**110,347,932**	67,855,547

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2022 %	2021 %	
Direct Holding				
Enovax Pte. Ltd. *	Republic of Singapore	**100**	100	Software development and consultancy
Founder Pay Sdn. Bhd.	Malaysia	**100**	100	Money lending business and payment solutions
Presto Pay Sdn. Bhd.	Malaysia	**100**	100	E-payment solutions, trading and merchandising of goods
Presto Universe Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Presto Technology Sdn. Bhd.	Malaysia	**100**	100	Investment holding, acquisition and licensing of intellectual property rights
PUC Management Sdn. Bhd.	Malaysia	**100**	100	Provision of management and technical services
Red Media Asia Ltd.	British Virgin Islands	**100**	100	Investment holding
Redhot Media Sdn. Bhd.	Malaysia	**100**	100	Advertising media activities, research and development of electronic advertising services, and other advertising services
Presto Q-Commerce Sdn. Bhd.	Malaysia	**100**	–	Investment holding
Indirect Holding				
Held through Presto Universe Sdn. Bhd.				
Enovax Malaysia Sdn. Bhd.	Malaysia	**100**	100	Software development and consultancy
Presto Assure Sdn. Bhd.^	Malaysia	**–**	100	E-Content, E-Commerce and E-Merchant business, and end-to end media and advertising solutions
Presto Credit Sdn. Bhd.	Malaysia	**100**	100	Money lending business
Presto Plus Sdn. Bhd.^	Malaysia	**–**	100	E-marketing and promoting of intellectual property licensing and merchandising of IP products and services
Presto Capital Sdn. Bhd. *(formerly known as Presto Travel Sdn. Bhd.)*	Malaysia	**100**	100	Online travel agency and travel related business
Presto Ventures Pte. Ltd.*	Republic of Singapore	**100**	100	Investment holding, e-business, e-commerce, e-payment advertising and media services

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2022 %	2021 %	
Indirect Holding (cont'd)				
Held through Red Media Asia Ltd.				
RH Media Group Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Held through RH Media Group Sdn. Bhd.				
RHM International Ltd	British Virgin Islands	**100**	100	Advertising and media activities
PUC International (Hong Kong) Limited *	Hong Kong	**100**	100	Investment holding, advertising and media activities
Held through PUC International (Hong Kong) Limited				
Peer Consultancy Sdn. Bhd.	Malaysia	**100**	100	Provision of business management services
Held through Presto Ventures Pte. Ltd.				
Shanghai PUC Network Technology Co., Ltd. ^	People's Republic of China	**100**	100	Technology consultancy services

* *Audited by member firm of UHY International Limited*
^ *Not audited by UHY*

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Addition of investment in a subsidiary company

In previous financial year, Presto Pay Sdn. Bhd. ("PRPMY") has increased its issued and paid-up share capital from 23,638,000 ordinary shares to 30,000,000 ordinary shares at an issue price of RM1.00 each for a total consideration of RM6,362,000. The Company has subscribed for a total additional 6,362,000 ordinary shares in PRPMY by way of capitalising the total amount due from PRPMY of RM6,362,000. PRPMY remains as a wholly-owned subsidiary company of the Company.

(b) Incorporation of subsidiary company

On 25 March 2022, Presto Universe Sdn. Bhd. ("PRUMY") incorporated a wholly-owned subsidiary company, Presto Q-Commerce Sdn. Bhd., with a total cash consideration of RM2,000.

(c) Impairment review of investment in subsidiary companies

The Company conducted a review of the recoverable amounts of its investment in certain subsidiary companies of which its carrying amount of investments exceeded the net assets of the respective subsidiary companies at the reporting date. As a result, an impairment loss amounting to RM42,492,385 (2021: RM67,805,547) was recognised during the financial year.

(d) Deconsolidation of subsidiary companies

(i) In previous financial year, the Company completed its internal reorganisation exercise by disposing the entire issued and paid-up share capital of 50,000 ordinary shares in Presto Assure Sdn. Bhd. with cost of investment of RM51,998 to Presto Universe Sdn. Bhd., a wholly-owned subsidiary company of the Company for a total consideration of RM50,000 resulting in a loss on disposal of RM1,998.

On 21 January 2022, the Company's interest Presto Assure Sdn. Bhd.("PRAMY") was diluted to 40% when PRUMY, a wholly-owned subsidiary of the Company entered into a joint venture agreement with Cover Touch Sdn. Bhd. ("CTSB") and KH Lim Capital Sdn Bhd ("KLCSB").

Management assessed that the joint venture arrangement with the respective joint venture parties have given rise to joint control with CTSB and KLCSB over PRAMY.

As a result, PRAMY has been deconsolidated and become a joint venture to the Group as disclosed in Note 9.

The deconsolidation of the subsidiary has the following financial effects on the Group's and the Company's financial statements:

	2022 RM
Group	
Cash at bank	**9,313**
Other receivables	**5,966**
Loss on deconsolidation	**15,279**
Proceeds from disposal	**–**
Less: Cash and cash equivalents deconsolidated	**(9,313)**
Net cash outflows on deconsolidation of a subsidiary company	**(9,313)**

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Deconsolidation of subsidiary companies (cont'd)

(ii) On 26 January 2022, the Company's interest Presto Plus Sdn. Bhd.("PPSMY") was diluted to 40% when PRUMY, a wholly-owned subsidiary of the Company entered into a joint venture agreement with Wang Xi ("WX") and KLCSB.

Management assessed that the joint venture arrangement with the respective joint venture parties have given rise to joint control with WX and KLCSB over PRAMY.

As a result, PPMY has been deconsolidated and become a joint venture to the Group as disclosed in Note 9.

The deconsolidation of the subsidiary has the following financial effects on the Group's and the Company's financial statements:

	2022 RM
Group	
Cash at bank	**6,255**
Other payables	**(6,162)**
Loss on deconsolidation	**93**
Proceeds from disposal	**–**
Less: Cash and cash equivalents deconsolidated	**(6,255)**
Net cash outflows on deconsolidation of a subsidiary company	**(6,255)**

(iii) On 15 November 2021, the Company's interest in Presto Color Sdn. Bhd. ("PCOMY") was diluted to 40% when Presto Universe Sdn Bhd ("PRUMY"), a wholly-owned subsidiary of the Company entered into a joint venture agreement with Colorpixel Sdn Bhd ("CPSB") and KH Lim Capital Sdn Bhd ("KLCSB").

Management assessed that the joint venture arrangement with the respective joint venture parties have given rise to joint control with CPSB and KLCSB over PCOMY.

As a result, PCOMY has been deconsolidated and become a joint venture to the Group as disclosed in Note 9.

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Deconsolidation of subsidiary companies (cont'd)

(iii) The deconsolidation of the subsidiary has the following financial effects on the Group's and the Company's financial statements:

	2021 RM
Group	
Cash at bank	1,971
Other payables	(4,803)
Gain on deconsolidation	(2,832)
Proceeds from disposal	–
Less: Cash and cash equivalents deconsolidated	(1,971)
Net cash outflows on deconsolidation of a subsidiary company	(1,971)

8. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
In Malaysia				
Unquoted shares, at cost	**88,355,681**	88,355,081	**48,355,041**	48,355,041
Share of post – acquisition loss and reserves	**(6,274,558)**	(2,223,823)	**–**	–
Less: Accumulated impairment loss	**(19,227,394)**	(19,227,394)	**–**	–
	62,853,729	66,903,864	**48,355,041**	48,355,041

8. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
Direct Holding				
Pictureworks Holdings Sdn. Bhd. ("PWHQ") ^	Malaysia	**33**	33	Investment holding
Indirect Holding				
Held through Presto Universe Sdn. Bhd. ("PRUMY")				
Presto Mall Sdn. Bhd. ("PMMMY") ^	Malaysia	**11.76**	11.76	Provision solutions and services related to web-technologies internet and e-commerce
Presto Power Sdn. Bhd. ("PPWMY") ^	Malaysia	**40**	40	Provision of power bank leasing and related services
Indirect Holding				
Held through Presto Q-Commerce Sdn. Bhd. ("PRQMY")				
Presto Trade Sdn. Bhd. ("PTDMY") ^	Malaysia	**30**	–	Trading of consumer products and business-to-business sales

^ *Not audited by UHY*

(a) Acquisition of associate

Pictureworks Holdings Sdn. Bhd. ("PWHQ")

On 27 December 2017, the Company entered into a conditional agreement to acquire 33% equity interest, representing 6,076,081 ordinary shares in PWHQ for a total consideration of RM48,355,041. The acquisition was completed on 6 June 2018 and consequently PWHQ became an associate of the Group.

The purchase consideration for the acquisition consists of:

(i) 64,597,273 new ordinary shares of the Company at fair value of RM0.322 each, whereby the fair value of the share is the published price of the share as at acquisition date. The attributable cost of the issuance of the shares as consideration of RM20,800,000 has been recognised directly in equity as a deduction from share capital; and

(ii) Additional consideration was payable in cash by the Company to the vendors as a result of pre-determined sales are achieved by the associate, as disclosed below:

(a) RM13,416,000 ("2018 Retained Consideration") as a result of PWHQ generated RM14,800,000 profit after tax for the financial year ended 31 December 2018; and

(b) RM18,584,000 ("2019 Retained Consideration") as a result of PWHQ generated RM20,500,000 profit after tax for the financial year ended 31 December 2019.

In previous financial year, the Company settled the payment of 2018 Retained Consideration and 2019 Retained Consideration amounted to RM32 million by way of issuance of 256,000,000 new ordinary shares at the issue price of RM0.125 per share.

8. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Incorporation of associate

On 20 April 2022, Presto Q-Commerce Sdn. Bhd. ("PRQMY") and Leef Holdings Sdn Bhd have jointly incorporated a company in Malaysia, namely Presto Trade Sdn. Bhd. ("PTDMY") with an initial paid-up capital of RM100 comprising of 100 ordinary shares.

On 22 June 2022, PRQMY has further purchased 570 ordinary shares representing cash consideration of RM570.

PRQMY owns 30% equity interest, representing 600 ordinary shares in PTDMY.

(c) Impairment review of investment in associates

During the financial year, the recoverable amount of investment in associates was reviewed. Based on management's assessment, there is no change to the recoverable amount.

The recoverable amount of PWHQ is determined from the value-in-use calculation by discounting future cash flows using a pre-tax discount.

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

	2022	2021
Growth rate	**30%**	22%
Pre-tax discount rate	**15.0%**	13.6%

The Group's impairment assessment includes an assessment of changes in key assumptions. Any adverse change in a key assumption would not cause the carrying amount to exceed its recoverable amount

The summarised financial information of the Group's and of the Company's material associates are set out below:

(i) Summarised statement of financial position

	PWHQ		PMMMY	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current assets	**21,132,571**	18,199,426	**1,208,075**	265,281
Current assets	**7,149,513**	21,264,677	**6,253,215**	5,859,192
Non-current liabilities	**(1,053,366)**	(1,327,500)	**–**	–
Current liabilities	**(14,832,706)**	(15,749,162)	**(55,214,843)**	(50,595,279)
Net assets/(liabilities)	**12,396,012**	22,387,441	**(47,753,553)**	(44,470,806)

8. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Impairment review of investment in associates (Cont'd)

The summarised financial information of the Group's and of the Company's material associates are set out below: (Cont'd)

(ii) Summarised statement profit or loss and other comprehensive income

	PWHQ		PMMMY	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	**8,998,590**	10,559,180	**11,921,781**	13,252,911
Loss for the financial year	**(11,103,285)**	(11,940,363)	**(3,282,747)**	(8,337,483)
Other comprehensive income/(loss) for the financial year	**1,111,855**	(86,606)	**–**	–
Total comprehensive loss for the financial year	**(9,991,430)**	(12,026,969)	**(3,282,747)**	(8,337,483)

(iii) Summarised statement of cash flows

	PWHQ		PMMMY	
	2022 RM	2021 RM	2022 RM	2021 RM
Net cash from/(used in) operating activities	**3,441,468**	1,357,756	**(3,567,024)**	(8,507,779)
Net cash used in investing activities	**(4,396,263)**	(2,601,514)	**(2,487,868)**	(1,040,449)
Net cash (used in)/ from financing activities	**(180,999)**	712,251	**6,387,740**	(410,000)
Net (decrease)/ increase in cash and cash equivalents	**(1,135,794)**	(531,507)	**332,848**	(9,958,228)

9. INVESTMENT IN JOINT VENTURE COMPANIES

	Group	
	2022 RM	2021 RM
In Malaysia		
Unquoted share, at cost	**400,092**	4
Share of post-acquisition reserves	**(45,173)**	(4)
	354,919	–

9. INVESTMENT IN JOINT VENTURE COMPANIES (CONT'D)

Details of the joint venture is as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2022 %	2021 %	
Indirect Holding				
Held through Presto Universe Sdn. Bhd. ("PRUMY")				
Presto Color Sdn. Bhd. ^	Malaysia	**40**	40	Integrated payment solutions, digital and E-business
Presto Assure Sdn. Bhd. ^	Malaysia	**40**	–	E-Content, E-Commerce and E-Merchant business, and end-to end media and advertising solutions
Presto Plus Sdn. Bhd. ^	Malaysia	**30**	–	E-marketing and promoting of intellectual property licensing and merchandising of IP products and services

^ *Not audited by UHY*

(i) On 21 January 2022, the Company's interest Presto Assure Sdn. Bhd.("PRAMY") was diluted to 40% when PRUMY, a wholly-owned subsidiary of the Company entered into a joint venture agreement with Cover Touch Sdn. Bhd. ("CTSB") and KH Lim Capital Sdn Bhd ("KLCSB").

Management assessed that the joint venture arrangement with the respective joint venture parties have given rise to joint control with CTSB and KLCSB over PRAMY.

As a result, PRAMY become a joint venture to the Group.

(ii) On 26 January 2022, the Company's interest Presto Plus Sdn. Bhd.("PPSMY") was diluted to 40% when PRUMY, a wholly-owned subsidiary of the Company entered into a joint venture agreement with Wang Xi ("WX") and KLCSB.

Management assessed that the joint venture arrangement with the respective joint venture parties have given rise to joint control with WX and KLCSB over PRAMY.

As a result, PPSMY become a joint venture to the Group.

(iii) On 15 November 2021, Presto Universe Sdn Bhd ("PRUMY"), a wholly-owned subsidiary entered into a joint venture agreement with Colorpixel Sdn Bhd ("CPSB") and KH Lim Capital Sdn Bhd ("KLCSB").

Management assessed that the joint venture arrangement with the respective joint venture parties have given rise to joint control with CPSB and KLCSB over Presto Color Sdn. Bhd. ("PCOMY").

As a result, PCOMY become a joint venture to the Group.

The Group's joint venture companies are individually immaterial to the financial position, financial performance and cash flows of the Group.

10. INTANGIBLE ASSETS

	Goodwill on acquisition of business assets (a) RM	Goodwill on consolidation (b) RM	Digital contents (c) RM	Regional software license (d) RM	Total RM
Group					
Cost					
At 1 January 2022	**32,583,291**	**21,152,066**	**17,109,600**	**21,322,950**	**92,167,907**
Written off	**–**	**–**	**–**	**(4,900,000)**	**(4,900,000)**
31 December 2022	**32,583,291**	**21,152,066**	**17,109,600**	**16,422,950**	**87,267,907**
Accumulated amortisation					
At 1 January 2022	**–**	**–**	**1,853,540**	**7,316,679**	**9,170,219**
Charge for the financial year	**–**	**–**	**–**	**2,009,847**	**2,009,847**
Written off	**–**	**–**	**–**	**(2,287,500)**	**(2,287,500)**
At 31 December 2022	**–**	**–**	**1,853,540**	**7,039,026**	**8,892,566**
Accumulated impairment loss					
At 1 January 2022	**32,583,291**	**17,716,382**	**15,256,060**	**7,963,877**	**73,519,610**
Recognised during the financial year	**–**	**3,435,684**	**–**	**–**	**3,435,684**
At 31 December 2022	**32,583,291**	**21,152,066**	**15,256,060**	**7,963,877**	**76,955,294**
Net carrying amount					
At 31 December 2022	**–**	**–**	**–**	**1,420,047**	**1,420,047**
Cost					
At 1 January 2021	32,583,291	21,152,066	17,109,600	14,032,880	84,877,837
Additions	–	–	–	7,290,070	7,290,070
31 December 2021	32,583,291	21,152,066	17,109,600	21,322,950	92,167,907
Accumulated amortisation					
At 1 January 2021	–	–	1,853,540	3,331,563	5,185,103
Charge for the financial year	–	–	–	3,985,116	3,985,116
At 31 December 2021	–	–	1,853,540	7,316,679	9,170,219
Accumulated impairment loss					
At 1 January 2021	23,351,022	10,286,387	15,256,060	6,595,157	55,488,626
Recognised during the financial year	9,232,269	7,429,995	–	1,368,720	18,030,984
At 31 December 2021	32,583,291	17,716,382	15,256,060	7,963,877	73,519,610
Net carrying amount					
At 31 December 2021	–	3,435,684	–	6,042,394	9,478,078

10. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on acquisition of business assets

This represents goodwill arising from the acquisition of business assets of China Media Mart Information Technology Co. Ltd ("CMIT") and China MediaMart Advertising Co. Ltd. ("CMAD").

Based on the prior financial year impairment assessment, the management determined that the recoverable amounts of goodwill on acquisition of business assets for CIMT and CMAD business are lower than the carrying amounts, which resulted from the unstable financial market in which it operates. This led to the recognition of impairment loss of RM9,232,269 in the prior financial year, which was recognised in the statements of profit or loss and other comprehensive income.

(b) Goodwill on consolidation

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represents the lowest CGU level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Note	Group 2022 RM	Group 2021 RM
OmniChannel	(i)	–	–
Presto	(ii)	–	3,435,684
		–	3,435,684

(i) Goodwill – OmniChannel

In prior financial year, the management determined that the recoverable amounts of goodwill on consolidation on OmniChannel is lower than its carrying amounts. This led to the recognition of impairment loss of RM3,032,521 in prior financial year, which was recognised in the statements of profit or loss and other comprehensive income.

(ii) Goodwill – Presto

The recoverable amount of CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by the management covering a five-year period. The key assumptions used for value-in-use calculations are based on future projections of the Group as follows:

	2022	2021
Growth rate	**5% – 30%**	5% – 26%
Pre-tax discount rate	**15.0%**	13.6%

(i) Growth rate - The growth rate is based on industry growth forecasts and expected market share forecasts.

(ii) Pre-tax discount rate - The rate that reflect specific risks relating to the relevant CGU.

10. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill on consolidation (cont'd)

(i) Goodwill – Presto (Cont'd)

The values assigned to the key assumptions represent the management's assessment of future trends in the industry of the current businesses and are based on both external sources and internal sources. The cash flow projection also took into account the Group's plan to expand its business in electronic commerce and payment.

During the financial year, the management determined that the recoverable amounts of goodwill on consolidation on Presto is lower than its carrying amounts. This led to the recognition of impairment loss of RM3,435,684 (2021: RM4,397,474), which was recognised in the statements of profit or loss and other comprehensive income.

(c) Digital contents

The Group acquired audio visual content with limited rights to distribute, resell or reassign display or broadcast rights. These audio visual contents were acquired to enhance the Group's range of services for advertising and media business. These contents are amortised on straight-line basis over their estimated useful lives ranging from 2 to 10 years.

(d) Regional software license

In previous financial year, the Group acquired an exclusive license to use proprietary mobile application software in designated territories. The mobile application is a GPS-based geographical navigation application program for smartphones and tablets with GPS support. It provides information about the malls and its merchants and which allows the malls and merchants to place advertisements and promotional displays, as well as enables the end users to interact with the software and access information. The regional software license is amortised on straight-line basis over its estimated useful life of 2 years.

The Group acquired the license to enhance its range of services for its media and advertising businesses and to propel its mobile application business.

During the financial year, the Group acquired an intellectual property of audio/video content and programmes to be broadcast in PrestoTV enhance its range of services for its Presto ecosystem business. The regional software license is amortised on straight-line basis over its estimated useful life of 2 to 5 years.

The management performed an impairment review as disclosed in Note 10(b) and the review led to the recognition of impairment loss of RMNil (2021: RM1,368,720), which was recognised in the statements of profit or loss and other comprehensive income.

11. OTHER INVESTMENTS

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-current					
At FVOCI					
Unquoted shares	(a)	**11,666,100**	12,000,000	**11,666,000**	12,000,000
Current					
At FVTPL					
Investment in mutual fund	(b)	**2,732**	2,690	**2,731**	2,689
		11,668,832	12,002,690	**11,668,731**	12,002,689

(a) Additions of other investments

(i) On 31 March 2022, Presto Universe Sdn. Bhd. ("PRUMY") purchased 100 shares representing 10% shareholding in Presto E-Office Sdn. Bhd., with a total cash consideration of RM100.

(ii) On 6 December 2021, the Group and the Company entered into a shares sales agreement to acquire 8.94% equity interest in NKL360 Malaysia Sdn. Bhd. ("NKL360"), representing 1,177 ordinary shares in NKL360 for a total consideration of RM12,000,000. The acquisition was completed during the financial year.

The Group and the Company designated the following investments as equity instruments at fair value through other comprehensive income because these are investments that the Group and the Company intend to hold for long-term strategic purpose.

The fair value of NKL360 Malaysia Sdn Bhd was determined within Level 3 based on the discounted cash flows model.

(b) The fair value of the investment in mutual fund was determined within Level 1 by reference to the quoted prices in an active market.

12. LEASE RECEIVABLES

	Group	
	2022 RM	2021 RM
Minimum lease receivables:		
Within 1 year	**56,250**	587,160
Later than 1 year and not later than 2 years	**–**	56,250
	56,250	643,410
Less: Future interest income	**(1,129)**	(50,434)
	55,121	592,976
Present value of minimum lease receivables:		
Within 1 year	**55,121**	537,855
Later than 1 year and not later than 2 years	**–**	55,121
	55,121	592,976
Analysed as:		
Current portion	**55,121**	537,855
Non-current portion	**–**	55,121
	55,121	592,976

Future interest income of finance lease receivables is ranging from 1.02% (2021: 1.02% to 1.30%) per annum.

13. INVENTORIES

	Group	
	2022 RM	2021 RM
At cost		
Finished goods	**–**	8,636,744
Recognised in profit or loss:		
Inventories recognised in profit or loss	**8,633,712**	16,759,388
Inventories written off	**3,032**	–
Reversal of inventories written off	**–**	(9,064)
	8,636,744	16,750,324

14. CONTRACT ASSET/(LIABILITIES)

	Group	
	2022 RM	**2021 RM**
Contract asset		
Deferred cost	**99,930**	172,204
Contract liabilities		
Deferred revenue	**(451,803)**	(329,654)
Revenue recognised that was included in the contract liabilities at the beginning of the financial year	**329,654**	601,683

(a) Contract asset

The contract asset represents the Group's rights to consideration for advertising space work performed but not yet billed at the reporting. The contract asset will be transferred to trade receivables when the rights become unconditional.

(b) Contract liabilities

Contract liabilities represents sales of advertising space received from the customers and subscription fees received from the members. Sales of advertising space and subscription income are recognised in the profit or loss on a time progressive basis over the subscription period.

15. TRADE RECEIVABLES

	Group	
	2022 RM	**2021 RM**
Trade receivables		
– Third parties	**44,079,597**	42,211,348
– Related party	**3,703,222**	1,772,792
	47,782,819	43,984,140
Less: Accumulated impairment losses	**(33,660,397)**	(24,474,574)
	14,122,422	19,509,566

Related party represents an associate of the Group.

Trade receivables of the Group are non-interest bearing and are generally on 30 to 180 days (2021: 30 to 180 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

15. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses are as follows:

	Lifetime allowance RM	Credit impaired RM	Total RM
Group			
At 1 January 2022	**2,428,815**	**22,045,759**	**24,474,574**
Impairment loss recognised	**9,412,900**	**–**	**9,412,900**
Reversal of impairment losses	**–**	**(227,011)**	**(227,011)**
Written off	**–**	**(66)**	**(66)**
At 31 December 2022	**11,841,715**	**21,818,682**	**33,660,397**
At 1 January 2021	334,926	22,338,520	22,673,446
Impairment loss recognised	2,093,889	–	2,093,889
Reversal of impairment losses	–	(180,262)	(180,262)
Written off	–	(112,499)	(112,499)
At 31 December 2021	2,428,815	22,045,759	24,474,574

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

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

15. TRADE RECEIVABLES (CONT'D)

The aged analysis of trade receivables as at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2022			
Not past due	**5,507,054**	**–**	**5,507,054**
Past due:			
Less than 30 days	**294,366**	**(134,037)**	**160,329**
61 to 90 days	**51,866**	**–**	**51,866**
More than 90 days	**20,110,851**	**(11,707,678)**	**8,403,173**
	20,457,083	**(11,841,715)**	**8,615,368**
Credit impaired:			
Individually impaired	**21,818,682**	**(21,818,682)**	**–**
	47,782,819	**(33,660,397)**	**14,122,422**
2021			
Not past due	4,821,498	(335,873)	4,485,625
Past due:			
Less than 30 days	74,200	–	74,200
61 to 90 days	4,210,821	(445,485)	3,765,336
More than 90 days	12,831,862	(1,647,457)	11,184,405
	17,116,883	(2,092,942)	15,023,941
Credit impaired:			
Individually impaired	22,045,759	(22,045,759)	–
	43,984,140	(24,474,574)	19,509,566

Trade receivables that are not past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2022, trade receivables of the Group of RM8,615,368 (2021: RM15,023,941) were past due but not individually impaired. Based on past experience and no adverse information to date, the Directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM21,818,682 (2021: RM22,045,759), relates to customers that are in financial difficulties or have defaulted on payments.

16. OTHER RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other receivables		**3,370,952**	3,578,667	**56,360**	135,688
Amount due from associates	(a)	**7,585,574**	5,238,064	**6,992,582**	1,158,880
Amount due from joint venture companies	(b)	**258,508**	–	**193,708**	–
		11,215,034	8,816,731	**7,242,650**	1,294,568
Less:					
Accumulated impairment losses		**(4,338,180)**	(2,707,734)	**(1,327,404)**	(52,399)
		6,876,854	6,108,997	**5,915,246**	1,242,169
Deposits	(c)	**90,216**	6,100,741	**4,000**	4,000
Prepayments	(d)	**211,519**	1,724,046	**18,155**	30,522
		7,178,589	13,933,784	**5,937,401**	1,276,691
		7,178,589	13,933,784	**5,937,401**	1,276,691

(a) Amount due from associates represents unsecured, non-interest bearing advances and repayable on demand except for interest bearing loan amounted to RM6,212,000 (2021: RM1,089,300) at rates ranging from 2.93% to 4.67% (2021: RM2.88% to 3%).

(b) Amount due from joint venture companies represents unsecured, non-interest bearing advances and repayable on demand except for interest bearing loan amounted to RM32,000 (2021: RMNil) at rates ranging from 2.93% to 4.67% (2021:Nil%).

(c) On 24 February 2021, PUC (Malaysia) Sdn. Bhd. ("PUCMY"), a wholly owned subsidiary of the Company entered into an agreement with Effective Venture Development Sdn. Bhd. ("EVDSB") to provide and procure the marketing, advertisement (local and oversea market), smart home system and e-payment services for the development of Project Kuantan Waterfront Resort City ("PKWRC").

Included in the Group's deposits is the earnest deposit amounting to RMNil (2021: RM6,000,000) paid to secure the agreement and act as an exclusive outsource agent.

(d) Included in the Group's prepayments is a marketing fee amounting to RMNil (2021: RM1,164,476) to promote Presto platform in the regions of Malaysia, Singapore, People's Republic of China, Hong Kong and Taiwan.

16. OTHER RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**2,707,734**	2,691,350	**52,399**	47,857
Impairment loss recognised	**1,630,446**	27,270	**1,275,005**	4,542
Reversal of impairment losses	**–**	(10,886)	**–**	-
At 31 December	**4,338,180**	2,707,734	**1,327,404**	52,399

Included in accumulated impairment losses is an impairment loss of other receivables amounting to RM4,212,065 (2021: RM2,680,464). Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

	Note	Company	
		2022 RM	2021 RM
Non-trade			
Interest bearing	(i)	**14,346,480**	19,655,663
Non-interest bearing	(ii)	**172,157,052**	142,795,420
		186,503,532	162,451,083
Less: Accumulated impairment losses		**(121,211,677)**	(11,107,712)
		65,291,855	151,343,371

(i) This represents unsecured, interest bearing loan at rates ranging from 1.44% to 5.25% (2021: 2.88% to 3%) per annum and are repayable within 12 months.

(ii) This represents unsecured, non-interest bearing advances and are repayable on demand.

Movements in the allowance for impairment losses are as follows:

	Company	
	2022 RM	2021 RM
At 1 January	**11,107,712**	2,339,853
Impairment loss recognised	**115,834,805**	8,767,859
Impairment loss reversed	**(5,730,840)**	–
At 31 December	**121,211,677**	11,107,712

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

(b) Amount due to subsidiary companies

This represents unsecured, non-interest bearing, non-trade in nature and repayable on demand.

18. DEPOSITS, BANK AND CASH BALANCES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	(a)	**1,500,602**	6,194,564	**21,654**	3,061,377
Fixed deposits with licensed banks	(b)	**761,825**	748,457	**–**	–
		2,262,427	6,943,021	**21,654**	3,061,377

(a) Included in cash and bank balances of the Group are monies held-in-trust amounting to RM58,958 (2021: RM58,536). The deposits and/or funds in the trust accounts are used to make refunds to e-money users of any unremitted monies, remittances, payment of service fees, and any charges related to the administration of the trust account etc.

The trust accounts are subject to regulatory restrictions and therefore not available for general use by the Group.

(b) Fixed deposits with licensed banks of the Group amounting to RM761,825 (2021: RM748,457) are pledged to licensed banks for bank guarantee facility granted to a subsidiary company as disclosed in Note 22.

The interest rates and maturities of deposits of the Group at the reporting date are 1.79% (2021: 1.51%) per annum and 365 days (2021: 365 days) respectively.

19. SHARE CAPITAL

	Group			
	Number of shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid: ordinary shares				
At 1 January	**1,428,973,443**	655,490,996	**392,935,979**	290,577,205
Issuance of new shares pursuant to				
– Exercise of ESOS	**96,113,836**	190,595,047	**3,038,153**	31,610,734
– Private placement	**196,288,200**	148,115,400	**24,536,025**	16,401,540
– Share-based settlement	**–**	256,000,000	**–**	32,000,000
At 31 December	**1,721,375,479**	1,428,973,443	**420,510,157**	392,935,979

19. SHARE CAPITAL (CONT'D)

	Company			
	Number of shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid: ordinary shares				
At 1 January	**1,428,973,443**	655,490,996	**396,768,734**	294,409,960
Issuance of new shares pursuant to				
– Exercise of ESOS	**96,113,836**	190,595,047	**3,038,153**	31,610,734
– Private placement	**196,288,200**	148,115,400	**24,536,025**	16,401,540
– Exercise of Warrants	**–**	178,772,000	**–**	22,346,500
– Share-based settlement	**–**	256,000,000	**–**	32,000,000
At 31 December	**1,721,375,479**	1,428,973,443	**424,342,912**	396,768,734

During the financial year, the Company increased its issued and paid up share capital through the issuance of:

(i) 196,288,200 new ordinary shares pursuant to the private placement exercise at issue price RM0.125 per ordinary share;

(ii) 96,113,836 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at exercise price of RM0.0275 per ordinary share;

In the previous financial year, the Company increased its issued and paid up share capital through the issuance of:

(i) 75,000,000 new ordinary shares pursuant to the private placement exercise at issue price RM0.1212 per ordinary share;

(ii) 73,115,400 new ordinary shares pursuant to the private placement exercise at issue price RM0.10 per ordinary share;

(iii) 178,772,000 new ordinary shares pursuant to the share issuance exercise at issue price RM0.125 per ordinary share;

(iv) 85,086,065 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at exercise price of RM0.155 per ordinary share;

(v) 31,074,205 new ordinary shares pursuant to the exercise of ESOS at exercise price of RM0.1475 per ordinary share;

(vi) 74,434,777 new ordinary shares pursuant to the exercise of ESOS at exercise price of RM0.15 per ordinary share;

(vii) 256,000,000 new ordinary shares pursuant to the share-based settlement at issue price RM0.125 per ordinary share.

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

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

20. RESERVES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Distributable:					
Accumulated losses		**(213,696,984)**	(160,133,653)	**(279,266,417)**	(124,095,474)
Non-distributable:					
Other reserves	(a)	**(14,845,692)**	(14,845,692)	**(16,714,974)**	(16,714,974)
Foreign currency translation reserve	(b)	**(707,872)**	(192,267)	**–**	–
Reserve acquisition debit	(c)	**(36,809,064)**	(36,809,064)	**–**	–
Warrants reserve	(d)	**16,714,974**	16,714,974	**16,714,974**	16,714,974
Fair value reserve	(e)	**(334,000)**	–	**(334,000)**	–
		(35,981,654)	(35,132,049)	**(334,000)**	–
		(249,678,638)	(195,265,702)	**(279,600,417)**	(124,095,474)

(a) Other reserves

Other reserves arising from the issuance of warrants.

(b) Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

(c) Reverse acquisition debit

The difference between the issued equity of the Company and issued equity and share premium of RMABV, the accounting acquirer, was recorded as reverse acquisition debit of RM36,809,064.

(d) Warrants reserve

	Group and Company 2022 Units	Group and Company 2021 Units	Group and Company 2022 RM	Group and Company 2021 RM
Warrants-A				
At 1 January/31 December	**26,552,111**	26,552,111	**16,714,974**	16,714,974

Warrants reserve represent reserves allocated to free detachable warrants issued with bonus issue of ordinary shares.

20. RESERVES (CONT'D)

(d) Warrants reserve (cont'd)

Warrants-A

The Warrants-A were constituted under the Deed Poll dated 6 November 2014.

On 26 December 2014, the Company issued 132,791,321 free detachable warrants in the Company ("Warrants-A") on the basis of one (1) Warrant for every seven (7) existing ordinary shares of RM0.10 each in the Company held at the same entitlement date of the Bonus Issue of Shares.

The salient terms of the Warrants-A are set out as follows:

(i) The exercise price of the Warrants-A has been fixed by the Board at RM0.10 each. Each Warrant entitles the Warrants-A holder to subscribe for one (1) new ordinary share at any time during the exercise period at the exercise price (subject to adjustments in accordance with the provisions of the Deed Poll).

(ii) The exercise period commences from the first date of issue of the Warrants-A and ending at the close of business at 5.00 pm in Malaysia on the date which is ten (10) years from the date of issue of the Warrants-A. Warrants-A not exercised during the exercise period will thereafter lapse and cease to be valid.

(iii) The Warrants-A holders are not entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of securities in the Company until and unless such Warrant holders exercise their Warrants into new ordinary shares.

In financial year 2020, the exercise price and the number of outstanding Warrants-A has been adjusted after the share consolidation.

The adjustments to the exercise price and number of Warrants-A as follows:

$$\text{Adjusted exercise price} = \text{Exercise price} \times \frac{\text{Total number of Shares in issue}}{\text{Total number of Consolidated Shares}}$$

$$= \text{RM0.10} \times \frac{\text{2,373,651,053 Shares}}{\text{474,729,551 Consolidated Shares}}$$

$$= \text{RM0.50}$$

$$\text{Adjusted number of Warrants-A} = \text{Existing no. of Warrants-A} \times \frac{\text{Total number of Consolidated Shares}}{\text{Total number of Shares in issue}}$$

$$= \text{132,763,894} \times \frac{\text{474,729,551 Consolidated Shares}}{\text{2,373,651,053 Shares}}$$

$$= \text{26,552,741}$$

(i) The exercise price of the Warrants-A has been adjusted from RM0.10 each to RM0.50 each; and

(ii) The number of the Warrants-A that remained unexercised were adjusted from 132,763,894 to 26,552,741.

20. RESERVES (CONT'D)

(d) Warrants reserve (cont'd)

Warrants-A (cont'd)

Notwithstanding the above, the actual number of Warrants-A confirmed by Bursa Depository via its letter dated 6 March 2020 is 26,552,111. The difference between the computation and the actual number of Warrants-A is due to fractional entitlements under the adjustments being disregarded.

As at 31 December 2022, the total number of Warrants-A that remained unexercised were 26,552,111 (2021: 26,552,111).

(e) Fair value reserve

Fair value reserve represents the cumulative net fair value changes in the financial assets at fair value through other comprehensive income financial assets until they are derecognised or impaired.

21. LEASE LIABILITIES

	Group	
	2022 RM	2021 RM
At 1 January	**82,796**	545,581
Additions	**–**	86,203
Termination of lease liabilities	**–**	(256,390)
Accretion of interest	**3,483**	25,804
Payment	**(45,600)**	(326,038)
Exchange differences	**–**	7,636
At 31 December	**40,679**	82,796
Analysed as:		
Current	**40,679**	42,117
Non-current	**–**	40,679
	40,679	82,796

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	2022 RM	2021 RM
Within 1 year	**41,800**	45,600
Later than 1 year and not later than 2 years	**–**	41,800
	41,800	87,400
Less: Future finance charges	**(1,121)**	(4,604)
	40,679	82,796

The Group leases buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rates applied to lease liabilities at the reporting date ranges are 5.47% (2021: 3.00% to 5.47%) per annum.

22. BANK BORROWINGS

	Group	
	2022 RM	2021 RM
Secured		
Non-current		
Term loans I	**3,145,434**	3,403,866
Current		
Term loans I	**267,812**	245,272
	3,413,246	3,649,138

The term loan I obtained from a licensed bank is secured by the following:

(a) legal charge over a freehold building as disclosed in Note 4; and

(b) corporate guarantee by the Company.

The weighted average interest rates per annum are as follows:

	Group	
	2022 %	2021 %
Term loans	**3.17 – 4.17**	3.14 – 6.75

The maturity analysis of bank borrowings of the Group at the end of the reporting period:

	Group	
	2022 RM	2021 RM
Within 1 year	**267,812**	245,272
Between 1 and 2 years	**276,427**	252,145
Between 2 and 3 years	**285,318**	260,255
Between 3 and 4 years	**294,496**	268,626
Between 4 and 5 years	**303,968**	300,770
After five years	**1,985,225**	2,322,070
	3,413,246	3,649,138

The Group has bank guarantee facility of RM750,000 (2021: RM750,000). This facility is secured by fixed deposit placement as disclosed in Note 18(b).

23. TRADE PAYABLES

The normal trade credit terms of the Group range from 30 to 90 days (2021: 30 to 90 days) depending on the terms of the contracts.

24. OTHER PAYABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Other payables		**3,974,950**	4,550,830	**54,832**	88,425
Accruals		**1,294,247**	1,411,668	**219,962**	105,150
Deposits		**5,700**	221,599	**–**	–
E-money liabilities	(a)	**40,257**	39,623	**–**	–
		5,315,154	6,223,720	**274,794**	193,575

(a) E-money liabilities

E-money liabilities relate to the unutilised amount of e-money which has been issued and the utilised amount of e-money which are pending payment to merchants.

25. REVENUE

Disaggregation of the Group's revenue from contracts with customers:

	Continuing operations			
	OmniChannel RM	Presto RM	Others RM	Total RM
2022				
Revenue from contracts with customers:				
Sale of media and advertising services	**12,147,103**	**–**	**–**	**12,147,103**
Sale of software or hardware	**–**	**4,589,054**	**–**	**4,589,054**
Rendering of services	**–**	**2,311,942**	**–**	**2,311,942**
Subscription fees	**–**	**9,900**	**–**	**9,900**
Transaction fees	**–**	**138,044**	**–**	**138,044**
	12,147,103	**7,048,940**	**–**	**19,196,043**
Revenue from other source				
Lease income	**–**	**49,305**	**–**	**49,305**
Total revenue	**12,147,103**	**7,098,245**	**–**	**19,245,348**

25. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers: (cont'd)

	Continuing operations			
	OmniChannel RM	Presto RM	Others RM	Total RM
2022				
Geographical market:				
Malaysia	**3,346,783**	**6,514,155**	**–**	**9,860,938**
Singapore	**–**	**584,090**	**–**	**584,090**
People's Republic of China and Hong Kong	**8,800,320**	**–**	**–**	**8,800,320**
	12,147,103	**7,098,245**	**–**	**19,245,348**
Timing of revenue recognition:				
At a point in time	**8,800,320**	**5,707,212**	**–**	**14,507,532**
Over time	**3,346,783**	**1,391,033**	**–**	**4,737,816**
	12,147,103	**7,098,245**	**–**	**19,245,348**

	Continuing operations			
	OmniChannel RM	Presto RM	Others RM	Total RM
2021				
Revenue from contracts with customers:				
Sale of media and advertising services	19,366,237	–	–	19,366,237
Sale of software or hardware	–	1,705,494	–	1,705,494
Sale of goods	–	599	–	599
Rendering of services	–	1,140,953	727,165	1,868,118
Subscription fees	–	19,980	–	19,980
Transaction fees	–	192,741	–	192,741
	19,366,237	3,059,767	727,165	23,153,169
Revenue from other source				
Lease income	–	120,480	–	120,480
Total revenue	19,366,237	3,180,247	727,165	23,273,649

25. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers: (cont'd)

	Continuing operations			
	OmniChannel RM	Presto RM	Others RM	Total RM
2021				
Geographical market:				
Malaysia	14,709,082	1,549,237	727,165	16,985,484
Singapore	–	1,631,010	–	1,631,010
People's Republic of China and Hong Kong	4,657,155	–	–	4,657,155
	19,366,237	3,180,247	727,165	23,273,649
Timing of revenue recognition:				
At a point in time	16,987,925	2,678,147	727,165	20,393,237
Over time	2,378,312	502,100	–	2,880,412
	19,366,237	3,180,247	727,165	23,273,649

As of the reporting date, revenue expected to be recognised in the future relating to performance obligation that are unsatisfied (or partially unsatisfied) is RM451,803 (2021: RM329,654). The Group expects to recognise this revenue when the performance obligation is satisfied, which is expected to occur over the next 12 months.

26. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Continuing operations				
Interest expenses on:				
– Borrowings	**124,820**	120,445	**–**	–
– Director's loan	**–**	–	**–**	–
– Lease liabilities	**3,483**	25,804	**–**	–
Unwinding of discount on other payables	**–**	1,023,569	**–**	1,023,569
	128,303	1,169,818	**–**	1,023,569

27. LOSS BEFORE TAX

Loss before tax is arrived after charging/(crediting):

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
– Statutory audit				
– Current year	**239,000**	245,000	**75,000**	75,000
– Non-audit services	**5,000**	5,000	**5,000**	5,000
Amortisation of:				
– Software development expenditure	**12,512,716**	9,749,895	**–**	–
– Intangible assets	**2,009,847**	3,985,116	**–**	–
Depreciation of:				
– Property, plant and equipment	**913,512**	1,028,973	**80,076**	117,704
– Right-of-use assets	**43,101**	298,915	**–**	–
Dividends received from mutual funds	**(42)**	(45)	**(42)**	(45)
Fair value loss of other investments	**334,000**	–	**334,000**	–
Loss/(Gain) on deconsolidation of subsidiary companies	**15,372**	(2,832)	**–**	–
(Gain)/Loss on disposal of:				
– Property, plant and equipment	**–**	(131)	**–**	–
– Investment in subsidiary companies	**–**	–	**–**	1,998
Government subsidy	**–**	(108,600)	**–**	–
Impairment loss on:				
– Investment in subsidiary companies	**–**	–	**42,492,385**	67,805,547
– Intangible assets	**3,435,684**	18,030,984	**–**	–
– Other receivables	**1,630,446**	27,270	**1,275,005**	4,542
– Trade receivables	**9,412,900**	2,093,889	**–**	–
– Amount due from subsidiary companies	**–**	–	**115,834,805**	8,767,859
Interest income on:				
– Deposits with licensed financial institutions	**(42,421)**	(46,186)	**(15,089)**	(34,426)
– Loan interest income from subsidiary companies	**–**	–	**(1,527,727)**	(819,424)
– Loan interest income from an associate	**(406,702)**	(69,580)	**–**	–
Lease expenses relating to short-term leases	**385,974**	391,194	**–**	–
(Gain)/Loss on foreign exchange:				
– Realised	**(177,287)**	39,075	**–**	4,671
– Unrealised	**(547,032)**	(370,484)	**(356,357)**	(85,376)
Unwinding of discount on other receivables	**–**	(27,916)	**–**	–
Rental income	**(150,000)**	(130,800)	**–**	–

27. LOSS BEFORE TAX (CONT'D)

Loss before tax is arrived after charging/(crediting): (cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Reversal of impairment loss on:				
– Other receivables	**–**	(10,886)	**–**	–
– Trade receivables	**(227,011)**	(180,262)	**–**	–
– Amount due from subsidiary companies	**–**	–	**(5,730,840)**	–
Reversal of inventories written down	**–**	(9,064)	**–**	–
Share-based payment expenses	**395,022**	1,474,018	**395,022**	–
Written off of				
– Property, plant and equipment	**100,000**	21,891	**–**	–
– Software development expenditure	**1,100,000**	329,634	**–**	–
– Intangible assets	**2,612,500**	–	**–**	–
– Inventories	**3,032**	–	**–**	–
– Other receivables	**–**	28,675	**–**	–
– Trade receivables	**66**	112,499	**–**	–
– Amount due from a subsidiary company	**–**	–	**–**	33,756

28. TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Tax expense recognised in profit or loss				
Malaysia statutory tax:				
Current tax	**37,660**	91,320	**–**	–
Underprovision in prior years	**(8,853)**	30,522	**6,449**	–
	28,807	121,842	**6,449**	
Deferred tax:				
Relating to origination and reversal of timing differences	**(96,909)**	–	**–**	–
Underprovision in prior years	**96,909**	–	**–**	–
	–	–	**–**	–
	28,807	121,842	**6,449**	–

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

28. TAXATION (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before tax	**(53,534,524)**	(62,308,418)	**(155,164,494)**	(80,986,488)
At Malaysian statutory tax rate of 24%	**(12,848,286)**	(14,954,020)	**(37,239,479)**	(19,436,757)
Effect of share of results of associates and joint venture companies	**983,017**	1,180,933	**–**	–
Income not subject to tax	**(5,396,183)**	(1,288,957)	**(1,745,687)**	(20,490)
Expenses not deductible for tax purposes	**1,149,076**	7,596,798	**38,985,166**	19,449,675
Tax exemption on foreign income	**9,176,851**	3,651,032	**–**	–
Different tax rates in foreign jurisdictions	**(35,694)**	148,318	**–**	–
Utilisation of previously unrecognised tax and unabsorbed capital allowance	**(33,093)**	–	**–**	–
Deferred tax assets not recognised	**6,945,063**	3,757,216	**–**	7,572
Underprovision of income tax in prior years	**(8,853)**	30,522	**6,449**	–
Underprovision of deferred tax in prior years	**96,909**	–	**–**	–
Tax expense for the financial year	**28,807**	121,842	**6,449**	–

Deferred tax assets not recognised arising from unutilised capital allowance, unused tax losses and other temporary differences. The estimated amounts are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised capital allowances	**19,552,424**	15,994,430	**550,401**	550,401
Unused tax losses	**72,459,699**	45,836,820	**4,156,898**	4,156,898
Other temporary differences	**4,542**	1,385,540	**4,542**	4,542
	92,016,665	63,216,790	**4,711,841**	4,711,841

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business 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) under the current tax legislation. The unutilised capital allowances and other temporary differences do not expire under current tax legislation.

28. TAXATION (CONT'D)

The unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses to be carried forward until:				
– Year of assessment 2028	**13,066,151**	13,224,799	**4,156,898**	4,156,898
– Year of assessment 2029	**7,996,679**	7,996,679	**–**	–
– Year of assessment 2030	**10,280,371**	10,329,745	**–**	–
– Year of assessment 2031	**14,355,920**	14,285,597	**–**	–
– Year of assessment 2032	**26,760,578**	–	**–**	–
	72,459,699	45,836,820	**4,156,898**	4,156,898

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient future taxable profits to be used to offset.

29. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2022 RM	2021 RM
Loss attributable to owners of the parent	**(53,563,331)**	(62,430,260)

	Units	Units
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	**1,428,973,443**	**655,490,996**
Effect of private placement	**159,461,769**	**135,279,460**
Effect of exercise of ESOS	**15,635,333**	**132,497,862**
Effect of share-based settlement	**–**	**144,087,432**
Weighted average number of ordinary shares in issue at 31 December	**1,604,070,545**	**1,067,355,750**
Basic loss per share (sen)	**(3.34)**	**(5.85)**

29. LOSS PER SHARE (CONT'D)

(b) Diluted loss per share

Diluted loss per share is calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

There are no effects on the diluted loss per share as Warrants and ESOS has a dilutive effect only when the average market price of ordinary share during the financial year exceeds the exercise price of the Warrants and ESOS.

30. STAFF COSTS

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Salaries and other emoluments	**8,009,693**	7,775,250	**440,000**	454,000
Defined contribution plans	**919,724**	914,186	**–**	–
Social security costs	**93,808**	64,463	**643**	593
Share-based payment	**–**	1,474,018	**–**	–
Other benefits	**344,938**	373,160	**16,507**	10,591
	9,368,163	10,601,077	**457,150**	465,184

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	New lease liabilities (Note 21) RM	Termination of lease contract (Note 21) RM	Other changes (ii) RM	At 31 December RM
Group							
2022							
Lease liabilities	21	**82,796**	**(42,117)**	**–**	**–**	**–**	**40,679**
Borrowings	22	**3,649,138**	**(235,892)**	**–**	**–**	**–**	**3,413,246**
		3,731,934	**(278,009)**	**–**	**–**	**–**	**3,453,925**
2021							
Other payables	20	30,976,431	–	–	–	(30,976,431)	–
Lease liabilities	21	545,581	(300,234)	86,203	(256,390)	7,636	82,796
Borrowings	22	3,956,834	(307,696)	–	–	–	3,649,138
		35,478,846	(607,930)	86,203	(256,390)	(30,968,795)	3,731,934
Company							
2021							
Other payables	20	30,976,431	–	–	–	(30,976,431)	–

(i) The financing cash flows represents the repayments of lease liabilities and bank borrowings in the statements of cash flows.

(ii) Other changes include the effect of discounting on other payables ("retained consideration"), share-based settlement and foreign currency exchange differences on lease liabilities.

32. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2022 RM	2021 RM
Group		
Transactions with associates		
Loan interest income received/receivable	**406,702**	69,580
Sales of goods	**–**	599
Rendering of services received/receivable	**4,000**	1,409,998
Rental of premises received/receivable	**85,200**	130,800
Transaction fees received/receivable	**98,455**	75,180
Transaction fees paid/payable	**(18,168)**	(22,798)
Transactions with associates		
Loan interest income received/receivable	**10,082**	243
Company		
Transactions with subsidiary companies		
Loan interest income received/receivable	**1,110,942**	749,274
Management fee paid/payable	**(1,425,076)**	(1,548,040)
Media and advertisement fee paid/payable	**–**	(7,461)

32. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Remuneration of Directors and key management personnel are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' fee	**305,278**	270,000	**290,278**	270,000
Salaries and other emoluments	**440,000**	669,084	**440,000**	454,000
Defined contribution plans	**–**	17,678	**–**	–
Social security costs	**643**	593	**643**	593
Other benefits	**16,507**	10,591	**16,507**	10,591
	762,428	967,946	**747,428**	735,184

33. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services provided, as follows:

OmniChannel	Media and advertising businesses as well as the digital imaging business
Presto	Presto digital platform businesses which consist of e-commerce, electronic money, payment services and technology businesses
Others	Investment holding or dormant

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

33. SEGMENT INFORMATION (CONT'D)

	Note	Continuing operations			Adjustments and eliminations	Consolidated
		OmniChannel RM	Presto RM	Others RM	RM	RM
2022						
Revenue						
External customers		**12,147,103**	**7,098,245**	**–**	**–**	**19,245,348**
Inter segment		**–**	**1,391,276**	**3,931,898**	**(5,323,174)**	**–**
Total revenue		**12,147,103**	**8,489,521**	**3,931,898**	**(5,323,174)**	**19,245,348**
Segment results						
Interest income		**13,620**	**1,409**	**1,542,815**	**(1,108,721)**	**449,123**
Finance costs		**(54,977)**	**(1,187,571)**	**(10)**	**1,114,255**	**(128,303)**
Depreciation and amortisation		**(1,440)**	**(15,127,744)**	**(349,992)**	**–**	**(15,479,176)**
Other non-cash item	(a)	**(6,962,543)**	**(8,671,733)**	**(2,220,309)**	**–**	**(17,854,585)**
Taxation		**–**	**(17,203)**	**(11,604)**	**–**	**(28,807)**
Share of result of associates, net of tax		**(3,664,084)**	**(386,651)**	**–**	**–**	**(4,050,735)**
Share of result of joint venture companies, net of tax		**–**	**(45,169)**	**–**	**–**	**(45,169)**
Segment loss before tax		**(70,341,377)**	**(49,122,763)**	**(157,894,034)**	**223,823,650**	**(53,534,524)**
Assets						
Capital expenditure	(b)	**–**	**29,923,619**	**7,500**	**(287,884)**	**29,643,235**

33. SEGMENT INFORMATION (CONT'D)

	Note	Continuing operations			Adjustments and eliminations	Consolidated
		OmniChannel RM	Presto RM	Others RM	RM	RM
2021						
Revenue						
External customers		19,366,237	3,180,247	727,165	–	23,273,649
Inter segment		388,440	1,901,646	4,525,744	(6,815,830)	–
Total revenue		19,754,677	5,081,893	5,252,909	(6,815,830)	23,273,649
Segment results						
Interest income		11,406	1,395	853,850	(750,885)	115,766
Finance costs		(114,088)	(781,126)	(1,025,834)	751,230	(1,169,818)
Depreciation and amortisation		(2,744,939)	(11,930,629)	(387,331)	–	(15,062,899)
Other non-cash item	(a)	(15,357,270)	(5,026,889)	62,166	275,763	(20,046,230)
Taxation		–	(121,842)	–	–	(121,842)
Share of result of associates, net of tax		(3,940,320)	(980,229)	–	–	(4,920,549)
Share of result of a joint venture, net of tax		–	(4)	–	–	(4)
Segment loss before tax		(22,720,088)	(35,814,155)	(81,635,646)	77,861,471	(62,308,418)
Assets						
Capital expenditure	(b)	–	23,787,529	12,500	(269,485)	25,530,544

33. SEGMENT INFORMATION (CONT'D)

	2022 RM	2021 RM
Unwinding of discount on other receivables	**–**	27,916
Fair value loss of other investments	**(334,000)**	–
Impairment losses on:		
– Intangible assets	**(3,435,684)**	(18,030,984)
– Other receivables	**(1,630,446)**	(27,270)
– Trade receivables	**(9,412,900)**	(2,093,889)
Reversal of impairment losses on:		
– Other receivables	**–**	10,886
– Trade receivables	**227,011**	180,262
Reversal of inventories written down	**–**	9,064
Unrealised gain on foreign exchange	**547,032**	370,484
Written off of:		
– Property, plant and equipment	**(100,000)**	(21,891)
– Software development expenditure	**(1,100,000)**	(329,634)
– Intangible assets	**(2,612,500)**	–
– Inventories	**(3,032)**	–
– Trade receivables	**(66)**	(112,499)
– Other receivables	**–**	(28,675)
	(17,854,585)	(20,046,230)

(a) Other non-cash items consist of the above as presented in the respective notes to financial statements.

(b) Capital expenditure consists of additions of property, plant and equipment, software development expenditure and intangible assets, i.e.: digital contents and regional software license.

33. SEGMENT INFORMATION (CONT'D)

(c) Geographic information

Revenue information based on the geographical location of customers respectively are as follow:

	2022 RM	2021 RM
Continuing operations		
Malaysia	**9,860,938**	16,985,484
Republic of Singapore	**584,090**	1,631,010
People's Republic of China and Hong Kong	**8,800,320**	4,657,155
	19,245,348	23,273,649

(d) Major customers

Revenue from 4 (2021: 4) major customers amounted to RM12,050,646 (2021: RM16,987,925), arising from the OmniChannel segment.

Revenue from major customer with revenue equal or more than 10% of the Group's revenue are as follows:

	2022 RM	2021 RM
Customer A	**4,950,000**	–
Customer B	**2,540,649**	–
Customer C	**3,691,905**	8,023,865
Customer D	**868,092**	4,306,905
Customer E	**–**	2,534,138
Customer F	**–**	2,123,017
	12,050,646	16,987,925

34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Amortised cost RM	Fair value through profit or loss RM	Fair value through other comprehensive income RM	Total RM
Group				
2022				
Financial assets				
Other investments	**–**	**2,732**	**11,666,100**	**11,668,832**
Trade receivables	**14,122,422**	**–**	**–**	**14,122,422**
Other receivables	**6,967,070**	**–**	**–**	**6,967,070**
Lease receivables	**55,121**	**–**	**–**	**55,121**
Deposits, bank and cash balances	**2,262,427**	**–**	**–**	**2,262,427**
	23,407,040	**2,732**	**11,666,100**	**35,075,872**
Financial liabilities				
Trade payables	**936,030**	**–**	**–**	**936,030**
Other payables	**5,274,897**	**–**	**–**	**5,274,897**
Lease liabilities	**40,679**	**–**	**–**	**40,679**
Bank borrowings	**3,413,246**	**–**	**–**	**3,413,246**
Amount due to directors	**43,379**	**–**	**–**	**43,379**
	9,708,631	**–**	**–**	**9,708,631**
2021				
Financial assets				
Other investments	–	2,690	12,000,000	12,002,690
Trade receivables	19,509,566	–	–	19,509,566
Other receivables	12,209,738	–	–	12,209,738
Lease receivables	592,976	–	–	592,976
Deposits, bank and cash balances	6,943,021	–	–	6,943,021
	39,255,301	2,690	12,000,000	51,257,991
Financial liabilities				
Trade payables	1,220,113	–	–	1,220,113
Other payables	6,184,097	–	–	6,184,097
Lease liabilities	82,796	–	–	82,796
Bank borrowings	3,649,138	–	–	3,649,138
	11,136,144	–	–	11,136,144

34. FINANCIAL INSTRUMENTS (CONT'D)

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

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

	Amortised cost RM	Fair value through profit or loss RM	Fair value through other comprehensive income RM	Total RM
Company				
2022				
Financial assets				
Other investments	**–**	**2,731**	**11,666,000**	**11,668,731**
Other receivables	**5,919,246**	**–**	**–**	**5,919,246**
Amount due from subsidiary companies	**65,291,855**	**–**	**–**	**65,291,855**
Deposits, bank and cash balances	**21,654**	**–**	**–**	**21,654**
	71,232,755	**2,731**	**11,666,000**	**82,901,486**
Financial liabilities				
Other payables	**274,794**	**–**	**–**	**274,794**
Amount due to subsidiary companies	**20,240,494**	**–**	**–**	**20,240,494**
Amount due to directors	**43,379**	**–**	**–**	**43,379**
	20,558,667	**–**	**–**	**20,558,667**
2021				
Financial assets				
Other investments	–	2,689	12,000,000	12,002,689
Other receivables	1,246,169	–	–	1,246,169
Amount due from subsidiary companies	151,343,371	–	–	151,343,371
Deposits, bank and cash balances	3,061,377	–	–	3,061,377
	155,650,917	2,689	12,000,000	167,653,606
Financial liabilities				
Other payables	193,575	–	–	193,575
Amount due to subsidiary companies	19,369,308	–	–	19,369,308
	19,562,883	–	–	19,562,883

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables, deposits with banks and financial guarantee given to banks. The Company's exposure to credit risk arises principally from its receivables, loans and advances to subsidiary companies and financial guarantee given to banks for banking facility granted to a subsidiary company. There are no significant changes as compared to prior years.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group assess whether any of the receivables are credit impaired.

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

As at the end of the reporting period, the Group has 4 debtors (2021: 5 debtors) that accounted for approximately 74% (2021: 86%) of all the trade receivables outstanding. The Company has no significant concentration of credits risks except for its amount due from subsidiary companies where risks of default have been assessed to be low.

The Company provides unsecured loans and advances to its subsidiary companies. It also provides unsecured financial guarantee to bank for banking facility granted to a subsidiary company. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk except for financial guarantee provided to licensed bank.

The Company's maximum exposure in this respect is RM3,413,246 (2021: RM3,649,138). The Company's maximum exposure to credit risk represents the outstanding banking facility of the subsidiary company at the end of the reporting period. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2022						
Non-derivative financial liabilities						
Trade payables	**936,430**	**–**	**–**	**–**	**936,430**	**936,430**
Other payables	**5,274,897**	**–**	**–**	**–**	**5,274,897**	**5,274,897**
Lease liabilities	**41,800**	**–**	**–**	**–**	**41,800**	**40,679**
Bank borrowings	**372,144**	**372,144**	**1,116,432**	**2,177,661**	**4,038,381**	**3,413,246**
Amount due to directors	**43,379**	**–**	**–**	**–**	**43,379**	**43,379**
	6,668,650	**372,144**	**1,116,432**	**2,177,661**	**10,334,887**	**9,708,631**
2021						
Non-derivative financial liabilities						
Trade payables	1,220,113	–	–	–	1,220,113	1,220,113
Other payables	6,184,097	–	–	–	6,184,097	6,184,097
Lease liabilities	45,600	41,800	–	–	87,400	82,796
Bank borrowings	356,436	356,436	1,069,308	2,635,376	4,417,556	3,649,138
	7,806,246	398,236	1,069,308	2,635,376	11,909,166	11,136,144

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2022			
Non-derivative financial liabilities			
Other payables	**274,794**	**274,794**	**274,794**
Amount due to subsidiary companies	**20,240,494**	**20,240,494**	**20,240,494**
Amount due to directors	**43,379**	**43,379**	**43,379**
Financial guarantee*	**3,413,246**	**3,413,246**	**–**
	23,971,913	**23,971,913**	**20,558,667**
2021			
Non-derivative financial liabilities			
Other payables	193,575	193,575	193,575
Amount due to subsidiary companies	19,369,308	19,369,308	19,369,308
Financial guarantee*	3,649,138	3,649,138	–
	23,212,021	23,212,021	19,562,883

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company provides unsecured financial guarantee to a licensed bank in respect of credit facilities granted to a subsidiary company and monitors on an ongoing basis the performance of the subsidiary company. At end of the reporting period, there was no indication that the subsidiary company would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary company defaulting on its credit facilities is remote.

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily China Yuan Renminbi ("RMB") and Singapore Dollar ("SGD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

(a) Foreign currency risk (cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in			
	RMB RM	SGD RM	Others RM	Total RM
Group				
2022				
Trade and other receivables	**2,559,640**	**146**	**–**	**2,559,786**
Cash and bank balances	**104,101**	**67,724**	**21,239**	**193,064**
Trade and other payables	**(2,216)**	**(191,621)**	**–**	**(193,837)**
	2,661,525	**(123,751)**	**21,239**	**2,559,013**
2021				
Trade and other receivables	4,452,307	1,864,445	–	6,316,752
Cash and bank balances	259,822	220,731	20,295	500,848
Trade and other payables	(147,443)	(256,535)	–	(403,978)
	4,564,686	1,828,641	20,295	6,413,622

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the RMB, SGD and others exchange rates against RM, with all other variables held constant.

Group	Change in currency rate RM	2022 Effect on loss before tax RM	2021 Effect on loss before tax RM
RMB	Strengthened 5% (2021:5%)	**133,076**	228,234
	Weakened 5% (2021:5%)	**(133,076)**	(228,234)
SGD	Strengthened 5% (2021:5%)	**(6,188)**	91,432
	Weakened 5% (2021:5%)	**6,188**	(91,432)
Others	Strengthened 5% (2021:5%)	**1,062**	1,015
	Weakened 5% (2021:5%)	**(1,062)**	(1,015)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long terms deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amount at the end of the reporting period was:

	Group	
	2022 RM	**2021 RM**
Fixed rate instruments		
Fixed deposits with licensed banks	**761,825**	748,457
Lease receivables	**55,121**	592,976
Lease liabilities	**(40,679)**	(82,796)
	776,267	1,258,637
Floating rate instruments		
Bank borrowings	**(3,413,246)**	(3,649,138)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group' loss before tax by RM34,132 (2021: RM36,491) and, arising mainly as a result of higher/lower interest expense on floating rate borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia Securities Berhad and are classified as fair value through profit or loss financial assets.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The table below analyses financial instruments carried at fair value and those not carried at fair value which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			
	Level 1 RM	Level 3 RM	Total RM	Level 2 RM	Total RM	Total fair value RM	Carrying amount RM
Group							
2022							
Financial assets							
Other investments	**2,732**	**11,666,100**	**11,668,832**	**–**	**–**	**11,668,832**	**11,668,832**
2021							
Financial assets							
Other investments	2,690	12,000,000	12,002,690	–	–	12,002,690	12,002,690
Lease receivables	–	–	–	50,534	50,534	50,534	55,121
	2,690	12,000,000	12,002,690	50,534	50,534	12,053,224	12,057,811
Financial liabilities							
Lease liabilities	–	–	–	37,650	37,650	37,650	40,679

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial instruments (cont'd)

The table below analyses financial instruments carried at fair value, together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 3 RM	Total RM	RM	RM
Company					
2022					
Financial assets					
Other investments	**2,731**	**11,666,000**	**11,668,731**	**11,668,731**	**11,668,731**
2021					
Financial assets					
Other investments	2,689	12,000,000	12,002,689	12,002,689	12,002,689

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

There were no transfers between levels during current and previous financial years.

35. FINANCIAL GUARANTEE

	Company	
	2022 RM	2021 RM
Financial guarantee given to a licensed bank for banking facility granted to a subsidiary company		
– Amount utilised	**3,413,246**	3,649,138

The Company provides unsecured financial guarantee to a licensed bank in respect of banking facility granted to a subsidiary company. The financial guarantee of the Company has not been recognised since the fair value on initial recognition was not material.

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group	
	2022 RM	**2021 RM**
Lease liabilities	**40,679**	82,796
Bank borrowings	**3,413,246**	3,649,138
	3,453,925	3,731,934
Less: Cash and bank balances	**(1,500,602)**	(6,194,564)
Net debt/(cash)	**1,953,323**	(2,462,630)
Shareholders' equity	**170,831,519**	197,670,277
Debt-to-equity ratio (%)	**0.011**	#

Gearing ratio is not applicable as the Group has sufficient cash and cash equivalent to settle the outstanding debt.

There were no changes in the Group's approach to capital management during the financial year.

37. SHARE-BASED PAYMENT

At the Extraordinary General Meeting held on 30 July 2020, the Company's shareholders approved the establishment of ESIS of up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time comprising the following:

(a) An employees' share grant scheme ("SGS") of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time for eligible director(s) and/or employee(s) of the Company and its subsidiaries, which are not dormant ("Eligible Person(s)"); and

(b) An ESOS of up to 20% of the total number of issues shares of the Company (excluding treasury shares, if any) at any point in time for Eligible Person.

(SGS and ESOS collectively, the "Employee Share Issuance Scheme" or "ESIS")

The salient features of the ESIS are as follows:

(a) Any directors or employees of the Group shall be eligible if as at the date of offer, the director or employee:

  (i) Has attained the age of 18 years;

  (ii) Is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

  (iii) Has been employed on a full time basis and is on the payroll of any company within the Group and the employment has been confirmed or such director or employee is serving in a specific designation under an employment contract for a fixed duration of at least 1 year;

  (iv) Such director has been appointed as a Director of the Company or any company in the Group, which is not dormant, and;

  (v) Has fulfilled any other eligibility criteria and/or falls within such grade/category as may be determined by the SIS Committee at its sole discretion from time to time.

(b) The ESIS option offered and accepted may be exercised within the SIS Option Period upon the satisfaction of vesting conditions of each offer as stipulated in the ESIS Offer Letter.

(c) The ESIS, when implemented, shall be in force for a period of 5 years from the effective date of implementation of the ESIS. The ESIS may extended by the Board at its absolute discretion upon recommendation of the SIS Committee, without having to obtain approval from the shareholders in general meeting, for a further period of up to 5 years immediately from the expiry of the initial 5 years, but will not in aggregate exceed a duration of 10 years from the date of implementation.

(d) Upon expiry of the ESIS, any option granted which has yet to be vested or exercised, as the case may be and whether fully or partially, shall be deemed cancelled and be null and void .

37. SHARE-BASED PAYMENT (CONT'D)

Options granted pursuant to ESIS which are vested on the date of offer, are as follows:

Option shares	Grant date	Number of options	Expected expiry date	Exercise price RM	Fair value per option at grant date RM
Grant I	28 October 2022	21,132,784	27 November 2022	0.0275	0.0045
Grant II	4 November 2022	74,981,052	5 December 2022	0.0275	0.0040

Fair value of share options granted during the financial year

The fair value of share options granted during the financial year was estimated by an independent professional valuer using the Black-Scholes-Trinomial option pricing model, taking into account the terms and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSs").

The fair value of share options measured at grant date and the assumptions are follows:

	Grant I	Grant II
Share price at grant date (RM)	0.025	0.025
Exercise price (RM)	0.0275	0.0275
Dividend yield (%)	–	–
Expected expiry tenure (days)	30	31
Risk-free interest rate (%)	4.2	4.14
Volatility (%)	192.08	175.62

Movement of ESIS during the financial year

The following table illustrates the share options granted and exercised during the financial year:

		Number of options			
Option shares	Exercise price	At 1 January	Granted	Exercised	At 31 December
Group					
2022					
Grant V	0.0275	–	**21,132,784**	**(21,132,784)**	**–**
Grant VI	0.0275	–	**74,981,052**	**(74,981,052)**	**–**
2021					
Grant II	0.1550	85,086,065	–	(85,086,065)	–
Grant III	0.1475	–	31,074,205	(31,074,205)	–
Grant IV	0.1500	–	74,434,777	(74,434,777)	–

38. SIGNIFICANT EVENTS

The following significant events took place for the Company and its subsidiary companies during the financial year:

(a) PUC Berhad ("the Company" or "PUC")

The Company increased its issued and paid up capital by way of private placements of 196,288,200 new ordinary shares at an issuing price of RM0.125 each and granted 96,113,836 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at exercise price of RM0.0275 per ordinary share.

(b) Presto Technology Sdn. Bhd. ("PTCMY") (formerly known as PUC (Malaysia) Sdn. Bhd.).

On 14 January 2022, PTCMY changed its name from PUC (Malaysia) Sdn. Bhd. to Presto Technology Sdn. Bhd.

(c) RHM International Ltd ("RHMBV") (formerly known as Allchina.cn Ltd.)

On 14 January 2022, RHMBV changed its name from Allchina.cn Ltd to RHM International Ltd.

(d) Presto Universe Sdn Bhd ("PRUMY")

(i) On 21 January 2022, PRUMY entered into a joint venture agreement ("JVA") with Cover Touch Sdn Bhd ("CTSB") and KH Lim Capital Sdn Bhd ("KLCSB") to undertake the Business through Presto Assure Sdn Bhd ("PRAMY" or "JV Company") ("JV"). JV Company is principally involved in carrying out digital marketing aggregation of insurance service providers focusing on online general insurance and online life insurance products and services.

(ii) On 26 January 2022, PRUMY, a wholly owned subsidiary company has entered into a joint venture agreement ("JVA") with Wang Xi ("WANGXI") and KH Lim Capital Sdn Bhd ("KLCSB") to undertake the Business through Presto Plus Sdn Bhd ("PPSMY" or "JV Company") ("JV"). JV Company is principally involved in carrying out services for Presto to centralise, aggregate and integrate the services of third-party logistics, delivery and warehousing service providers, warehousing service providers into Presto's digital ecosystem, which will then in turn provide these aggregated services to Presto's and its partners' merchants and consumers.

(iii) On 25 March 2022, the Company incorporated a new wholly-owned subsidiary company in Malaysia, namely Presto Q-Commerce Sdn Bhd ("PRQMY").

The principal activity is investment holding.

(iv) On 31 March 2022, Presto Universe Sdn. Bhd. ("PRUMY") purchased 100 shares representing 10% shareholding in Presto E-Office Sdn. Bhd., with a total cash consideration of RM100

(e) Presto Q-Commerce Sdn Bhd ("PRQMY").

On 20 April 2022, the Company and Leef Holdings Sdn Bhd have jointly incorporated a company in Malaysia, namely Presto Trade Sdn Bhd ("PTDMY") with an initial paid-up capital of RM100 comprising of 100 ordinary shares.

On 22 June 2022, PRQMY has further purchased 570 ordinary shares representing cash consideration of RM570.

PRQMY owns 30% equity interest, representing 600 ordinary shares in PTDMY.

PTDMY is principally engaged in the related to the trading of consumer products and business-to-business sales.

39. MATERIAL LITIGATION

On 11th May 2021, RedHot Media Sdn Bhd ("RHM") filed a suit against Inno Mind Works Sdn Bhd ("1st Defendant"), Yip Chin Hwee ("2nd Defendant"), Dato' Tan Ho ("3rd Defendant") and Teh Kean Thea ("4th Defendant") on a joint and several basis for amongst others, the sum of RM890,659 and late payment interest in the sum of RM187,666 as sums due and owing under a repayment agreement entered into between RHM and the 1st Defendant.

Judgment in default of appearance was obtained by RHM against the 1st Defendant on 13th July 2021. RHM subsequently commenced garnishee proceedings and winding-up proceedings against the 1st Defendant. The 1st Defendant was wound up on 9th March 2022 and RHM has submitted its proof of debt to the Department of Insolvency.

Vide the 3rd Defendant's solicitors' letter dated 25th April 2022, RHM was informed that the 3rd Defendant has been adjudged bankrupt on 15th February 2022. RHM has submitted its proof of debt with the Department of Insolvency.

RHM had applied for summary judgment against the 2nd and 4th Defendants and the same was granted by the KLHC on 31st March 2022.

On 23rd July 2022, RHM commenced bankruptcy proceedings against 2nd Defendant. Creditor's Petition has been filed against the 2nd Defendant and the matter is fixed for hearing on 17th January 2023.

On 16th January 2023, 2nd Defendant has made payment of RM866,589, as per the amount stated in the bankruptcy notice. RHM had on 17th January 2023 withdrawn the bankruptcy proceeding against the 2nd Defendant.

To-date, RHM had recovered RM1,180,302 in relation to the above matter.

40. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2023.

Notice of Annual General Meeting

PUC BERHAD

Registration No.: 199701036234 (451734-A)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the **Twenty-Fifth Annual General Meeting ("AGM")** of the Company will be conducted on a virtual basis at the Broadcast Venue at the Boardroom of the Company at Unit C-2-01, Level 2, Capital 3, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor on Monday, 26 June, 2023 at 3.00 pm for the following purposes

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees and benefits up to RM400,000 from this AGM until the next AGM of the Company. **(Resolution 1)**

3. To re-elect the following Directors retiring pursuant to the Company's Constitution and being eligible, offer themselves for re-election.

   3.1 Datuk Oh Chong Peng (Clause 85) **(Resolution 2)**
   3.2 En Hafez Mohd Hashim Bin Razman Md Hashim (Clause 85) **(Resolution 3)**
   3.3 Mr Ng Say Beng (Clause 92) **(Resolution 4)**
   3.3 Dato' Sri Adnan Bin Wan Mamat (Clause 92) **(Resolution 5)**
   3.5 Mr Ooi Kah Hoe (Clause 92) **(Resolution 6)**

4. To re-appoint Messrs UHY as the auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider, and, if thought fit, to pass the following Resolutions:

AS ORDINARY RESOLUTIONS

5. **Retention of Independent Director**

   "THAT Mr Liew Peng Chuen @ Liew Ah Choy, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years be and is hereby retained as Independent Non-Executive Director of the Company." **(Resolution 8)**

6. **Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights**

   "THAT pursuant to Section 75 and 76 of the Companies Act, 2016 (**"Act"**) as it may be amended, modified or re-enacted from time to time, and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of submission to the authority;

THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad (**"Bursa Securities"**) for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company;

AND THAT pursuant to Section 85 of the Act to be read together with the Company's Constitution, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empowered the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing shareholders to maintain their relative voting and distribution right and such new ordinary shares shall rank pari passu in all respects with the existing ordinary shares." **(Resolution 9)**

7. **Proposed Allocation of Share Grants and/or Share Options**

"THAT the Board be and is hereby authorised at any time and from time to time throughout the duration of the Employees' Share Issuance Scheme, to offer and allocate to the following persons, share grants pursuant to the Employees' Share Grant Scheme **("ESGS")** and/ or share options pursuant to the Employees' Share Option Scheme (**"ESOS"**) to subscribe for the ordinary shares in the Company ("PUC Shares") under the Employees' Share Issuance Scheme:-

Ordinary Resolution No.	Name of Directors
Ordinary Resolution 10	Mr Ng Say Beng (Non-Independent Non-Executive Director)
Ordinary Resolution 11	Dato' Sri Adnan Bin Wan Mamat (Non-Independent Non-Executive Director)
Ordinary Resolution 12	Mr Ooi Kah Hoe (Independent Non-Executive Director)

PROVIDED ALWAYS THAT:-

(a) he/she must not participate in the deliberation or discussion of his/ her own allocation;

(b) the allocation to him/ her, who either singly or collectively, through persons connected (as defined under the ACE Market Listing Requirements) to him/ her, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), must not exceed 10% of the total number of new PUC Shares to be issued under the Employees' Share Issuance Scheme; and

(c) the number of PUC Shares allocated to the said eligible Directors and senior management of the Company and/or its subsidiary companies, other than subsidiary companies which are dormant, pursuant to the Employees' Share Issuance Scheme, shall not be more than 50% of the total number of PUC Shares available under the Employees' Share Issuance Scheme,

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws of the Employees' Share Issuance Scheme, the ACE Market Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time.

AND THAT the Board be and is hereby authorised to allot and issue the corresponding number of new PUC Shares arising from the share grants vested pursuant to the ESGS and/ or share options exercised pursuant to the ESOS under the Employees' Share Issuance Scheme." **(Resolutions 10-12)**

By Order of the Board

LIM SECK WAH (MAICSA 0799845) (SSM PC NO. 202008000054)
TANG CHI HOE (KEVIN) (MAICSA 7045754) (SSM PC NO. 202008002054)
Secretaries

Dated: 28 April 2023
Kuala Lumpur

NOTES:-

General Meeting Record of Depositors

For the purpose of determining a member who shall be entitled to attend, speak and vote at the Twenty-Fifth AGM, the Company shall be requesting the Record of Depositors as at 19 June 2023. Only a depositor whose name appears on the Record of Depositors as at 19 June 2023 shall be entitled to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and vote in his/her stead.

Please refer to the Administrative Notes for online registration or https://vps.megacorp.com.my/VeiH1x.

Appointment of Proxy(ies)

1. *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the Meeting to be at the main venue. No shareholders/ proxies from the public will be physically present at the meeting venue. Shareholders who wish to participate in the Twenty-Fifth AGM will therefore have to register via the link https://vps.megacorp.com.my/VeiH1x. Kindly refer to the Administrative Notes for further information.*
2. *A member of the Company may appoint up to two (2) proxies who need not be a member of the Company to participate and vote at the same meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his/her shareholdings to be represented by each proxy.*
3. *Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to credit of the said Securities Account which is credited with ordinary shares of the Company.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"omnibus account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The completed Form of Proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy(ies) shall be in writing, deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or email to AGM-support.PUC@megacorp.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The member has to revoke the appointment of proxy should the member subsequently wishes to participate instead. The revocation of proxy has to reach AGM-support.PUC@megacorp.com.my not later than 24 June 2023 at 3.00 pm. For further information on the electronic submission of proxy form, kindly refer to the Administrative Notes.*
7. *By submitting the duly executed proxy form, a member and his/her proxy consent 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 this meeting and any adjournment thereof.*

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. **Resolution 8 – Retention of Independent Director**

   The Board of Directors has vide the Nomination Committee conducted an assessment of independence of Mr Liew Peng Chuen @ Liew Ah Choy who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and recommended that Mr Liew Peng Chuen @ Liew Ah Choy be retained as Independent Non-Executive Director of the Company through a two-tier voting based on the following justifications:

   i) He has fulfilled the criteria under the definition of Independent Director pursuant to the ACE Market Listing Requirements of Bursa Securities.
   ii) He remains independent and actively participate in the Board's deliberations and provide independent opinion to the Board.
   iii) He has in depth knowledge of the Company's business operations and he is committed to devote sufficient time and attention to the Company.
   iv) He has extensive experience in his profession to provide constructive opinions and ideas to the Board and Company.

2. **Resolution 9 – Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights**

   The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 and 76 of the Act at the forthcoming Twenty-Fifth AGM of the Company.

   The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

   This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

   This mandate, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

   The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

   The previous mandate granted by the shareholders at the Twenty-Fourth AGM held on 28 June 2022 had not been utilised and hence no proceed was raised therefrom.

3. **Resolutions 10-12 – Proposed allocation of share grants and/or share options**

   The Company's Employees' Share Issuance Scheme is governed by the By-laws approved by the shareholders at the Extraordinary General Meeting ("**EGM**") held on 30 July 2020. The Employees' Share Issuance Scheme was established on 26 August 2020 and will be in force for a period of five (5) years.

   Mr Ng Say Beng, Dato' Sri Adnan Bin Wan Mamat and Mr Ooi Kah Hoe ("**Interested Directors**") were appointed as Directors after the EGM held on 30 July 2020.

   The Ordinary Resolutions 10-12, if passed, will authorise the Directors to offer and allocate share grants and/ or share options to Mr Ng Say Beng, Dato' Sri Adnan Bin Wan Mamat and Mr Ooi Kah Hoe in accordance with the By-laws of the Employees' Share Issuance Scheme.

   The Interested Directors had abstained from Board deliberation and they will abstain from voting at the Twenty-Fifth AGM on their respective allocation.

Administrative Notes for the Twenty-Fifth Annual General Meeting

PUC BERHAD

Registration No.: 199701036234 (451734-A)
(Incorporated in Malaysia)

ADMINISTRATIVE NOTES FOR THE TWENTY-FIFTH ANNUAL GENERAL MEETING ("25th AGM")

Date:
Monday, 26 June 2023

Time:
3.00pm

Broadcast Venue:
The Boardroom of PUC Berhad at Unit C-2-01, Level 2, Capital 3, Oasis Square, No.2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor

VOTING VIA DIGITAL BALLOT FORM AT THE VIRTUAL 25TH AGM

1. **Shareholders will not be allowed to attend the 25th AGM in person at the Broadcast Venue on the day of the meeting.** Shareholders who wish to participate at the 25th AGM will therefore have to do so remotely. Pre-registration of attendance is required via the link at **https://vps.megacorp.com.my/VeiH1x** (please refer to para 4 for further details). After the registration is validated and accepted, Shareholders will receive an email with a link to grant access to the **Digital Ballot Form ("DBF")**.

2. With the DBF and Meeting Link, you may exercise your right as a shareholder of the Company to participate and vote during the 25th AGM, at the comfort of your home or from any location.

3. Shareholders may use the Questions' Pane facility (located at the top right corner of the screen) to submit questions in real time during the meeting via the Live-Streaming solution. Shareholders may also submit questions before the meeting via email to the following e-mail address in relation to the agenda items for the 25th AGM: **AGM-support.PUC@megacorp.com.my**.

Administrative Notes for the Twenty-Fifth Annual General Meeting

(cont'd)

REGISTRATION PROCEDURE

4. Kindly follow the steps below to ensure that you are able to obtain your DBF and details to log in to the Live-Streaming session to participate and vote remotely during the 25th AGM online:

   a. Open this link **https://vps.megacorp.com.my/VeiH1x**, or scan the QR code at the top right corner of this document, and submit all requisite details at least twenty-four (24) hours before the date of 25th AGM.

   b. Only Shareholders are allowed to register their details online. Shareholders can also appoint proxies or Chairman of the meeting as proxy via online, as in step (a) above. Please ensure that your details are accurate as non-compliance would result in you not being able to participate in the Meeting.

   c. Alternatively, you may deposit your Proxy Form, duly completed with the proxy's email address and mobile phone number, at the office of the Poll Administrator 48 hours before the AGM:

      Mega Corporate Services Sdn. Bhd.
      Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or;
      Submit via e-mail to: **AGM-support.PUC@megacorp.com.my**

   d. For corporate Shareholders / nominee accounts, please execute Form of Proxy as per step (c) above.

   e. Upon verification on your registration, the Poll Administrator, Mega Corporate Services Sdn. Bhd., will send the following via email:

      i. **Meeting Link** – for the Live-Streaming Session
      ii. **DBF** – for Voting Purposes

RECORD OF DEPOSITORS ("ROD") FOR THE 25TH AGM

5. The date of ROD for the 25th AGM is Monday, 19 June, 2023. As such, only Shareholders whose name appear in the ROD shall be entitled to participate and vote at the 25th AGM or appoint proxy(ies) / corporate representative(s) to participate and vote on his / her behalf.

POLL VOTING

6. The voting of the 25th AGM will be conducted by poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn. Bhd. as Scrutineers to verify the poll results.

7. Shareholders can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon completion of the voting session for the 25th AGM, the Scrutineers will verify the poll results after which the Chairman will announce the poll results of the resolutions.

COMMUNICATION GUIDANCE

Shareholders are reminded to monitor the Company's website and announcements made to Bursa Malaysia Securities Berhad for any changes to the 25th AGM.

ENQUIRY

If you have any enquiries on the above, please contact the following during office hours (Monday to Friday):

Mega Corporate Services Sdn. Bhd.
Email : **AGM-support.PUC@megacorp.com.my**
Tel : +60 (3) 2694 8984
Alfred : +60 (12) 912 2734
Hisham : +60 (12) 252 9136

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Form of Proxy

(Before completing this form, please refer to the notes below)

PUC BERHAD

Registration No.: 199701036234 (451734-A)
(Incorporated in Malaysia)

No. of ordinary shares held

I/We _____

[Full name in block letters]

NRIC No./Passport No./Co.No./CDS No.: _____

of _____

_____

[Full address]

being a member(s) of **PUC BERHAD** hereby appoint the following person(s):-

Name of Proxy(ies)	NRIC No./ Passport No.	Phone Number	Email	Address	No. of shares or %
Proxy 1					
Proxy 2					

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the **Twenty-Fifth Annual General Meeting ("AGM")** of the Company will be conducted on a virtual basis at the Broadcast Venue at the Boardroom of the Company at Unit C-2-01, Level 2, Capital 3, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor on Monday, 26 June 2023 at 3.00 pm. My/our proxy(ies) is/are to vote as indicated below:-

Ordinary Resolution	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
1) Directors' Fees and benefits				
2) To re-elect Datuk Oh Chong Peng as Director				
3) To re-elect Hafez Mohd Hashim Bin Razman Md Hashim as Director				
4) To re-elect Ng Say Beng as Director				
5) To re-elect Dato' Sri Adnan Bin Wan Mamat as Director				
6) To re-elect Ooi Kah Hoe as Director				
7) To re-appoint Messrs UHY as Auditors				
Special Business				
8) Retention of Liew Peng Chuen @ Liew Ah Choy as Independent Non-Executive Director				
9) Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights				
10) Proposed Allocation of share grants and/or share options to Ng Say Beng				
11) Proposed Allocation of share grants and/or share options to Dato' Sri Adnan Bin Wan Mamat				
12) Proposed Allocation of share grants and/or share options to Ooi Kah Hoe				

(Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instructions as to voting is given, the proxy(ies) will vote or abstain from voting at his/her discretion. All votings will be conducted by way of poll.

Dated this _____ day of _____, 2023

_____
Signature/Common Seal

Notes:-

General Meeting Record of Depositors

For the purpose of determining a member who shall be entitled to attend, speak and vote at the Twenty-Fifth AGM, the Company shall be requesting the Record of Depositors as at 19 June 2023. Only a depositor whose name appears on the Record of Depositors as at 19 June 2023 shall be entitled to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and vote in his/her stead.

Please refer to the Administrative Notes for online registration or https://vps.megacorp.com.my/VeiH1x

Appointment of Proxy(ies)

1. *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the Meeting to be at the main venue. No shareholders/ proxies from the public will be physically present at the meeting venue. Shareholders who wish to participate in the Twenty-Fifth AGM will therefore have to register via the link https://vps.megacorp.com.my/VeiH1x. Kindly refer to the Administrative Notes for further information.*
2. *A member of the Company may appoint up to two (2) proxies who need not be a member of the Company to participate and vote at the same meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his/ her shareholdings to be represented by each proxy.*
3. *Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to credit of the said Securities Account which is credited with ordinary shares of the Company.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The completed Form of Proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy(ies) shall be in writing, deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or email to AGM-support.PUC@megacorp.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The member has to revoke the appointment of proxy should the member subsequently wishes to participate instead. The revocation of proxy has to reach AGM-support.PUC@megacorp.com.my not later than 24 June 2023 at 3.00 pm. For further information on the electronic submission of proxy form, kindly refer to the Administrative Notes.*
7. *By submitting the duly executed proxy form, a member and his/her proxy consent 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 this meeting and any adjournment thereof.*

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COMPANY SECRETARY

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