PUC BERHAD

POWERING SUSTAINABLE SOLUTIONS for the NEXT GENERATION



ANNUAL REPORT 2024

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
AR2024	Annual Report 2024
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
FPE	Financial Period Ended
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
SS2024	Sustainability Statement 2024
ToR	Terms of Reference
UNSGDs	United Nation Sustainable Development Goals
WFH	Work-from-Home

26TH ANNUAL GENERAL MEETING

Please refer to the Notice of AGM from pages 215 to 217 for details of the AGM

3.00 pm
Monday, 2 December 2024



Inside This Report

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About This Report

PUC Berhad (**"PUC"** or the **"Group"**) is pleased to present its Annual Report 2024 (**"AR2024"**) covering the financial period commencing from 1 January 2023 and ended on 30 June 2024 (**"FPE2024"**). AR2024 offers a comprehensive overview of the Group's business and operational achievements, alongside Management's strategic initiatives. It includes audited financial statements and other management statements.

As PUC and the entire industry begin to establish a stronger understanding and ability of tackling post-pandemic challenges, the Group also provides forward-looking statements on risks, opportunities and future prospects for the Group's businesses, in addition to its financial disclosures, in order to deliver a holistic perspective of the Group. The report also outlines Management's plans for future business expansion and enhancing competitive capabilities.

Therefore, AR2024 goes beyond merely showcasing financial performance to offer readers, especially shareholders and investors, a comprehensive narrative of PUC's business model and strategic approach in an unpredictable yet opportunistic operating environment. This is exemplified in disclosing our non-financial value creation, focusing on PUC's economic, environmental, social, and governance (**"EESG"**) performance, as detailed in the Group's Sustainability Statement for FPE2024 (**"SS2024"**).

REPORTING CONTENT

In selecting the relevant report content to be reported in AR2024, PUC adhered to the following report 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.

AR2024 therefore essentially 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 11

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 15

Information that is pertinent to the business model, including business strategies and supporting market information such as forecasted growth statistics and more.

MESSAGE FROM GROUP MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER

page 28

A narrative from the Group's highest executive decision maker providing a detailed account of PUC's operating environment in FPE2024. 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 74

A comprehensive financial review of the Group's financial performance for FPE2024.

SUSTAINABILITY STATEMENT

page 34

An account of the Group's sustainability governance and performance, covering material economic, environment and social (**"EES"**) topics for FPE2024.

RELATED INFORMATION

AR2024 is supplemented by additional online disclosures, including consolidated and quarterly financial statements, policies, corporate governance documents as well as other associated data. This information is found in the Investor Relations, Governance & Sustainability and Media Center tabs on the Group's website: https://www.puc.com.

REPORT SCOPE & BOUNDARY

Unless otherwise stated, AR2024 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. As PUC continuously expands its international operations alongside the gradual strengthening its data collection systems, we hope to deliver improved 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 2023 to 30 June 2024.

REPORT FRAMEWORKS

AR2024 has been developed in accordance with the following regulatory frameworks, laws and guiding principles:

- Companies Act 2016 (**"Act"**)
- ACE Market Listing Requirements (**"AMLR"**) of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2021 (**"MCCG 2021"**)
- Bursa Malaysia Sustainability Reporting Guide – Third Edition 2022
- Malaysian Financial Reporting Standards (**"MFRS"**)
- International Financial Reporting Standards (**"IFRS"**)

ASSURANCE STATEMENT

PUC's audited financial statements for FPE2024 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 SS2024.

ACKNOWLEDGEMENT OF FORWARD-LOOKING STATEMENTS

AR2024 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 post-pandemic recovery process also remains a key factor, for example, in demonstrating how unforeseen conditions may occur and 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.

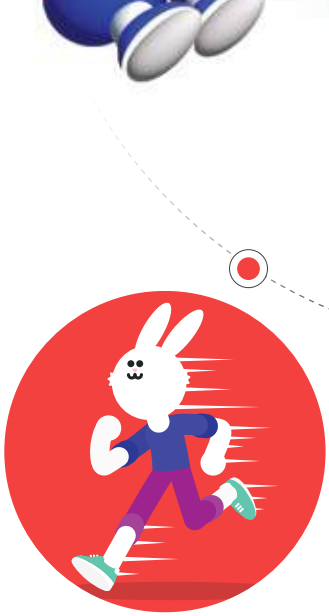
Vision

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





RICHER

FASTER



COOLER

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.

Key Developments

2023

January

- Miss Lee Bao En resigned from the Board of PUC to pursue other interest.
- Mr Ooi Kah Hoe joined the Board of PUC as independent and non-executive director.

April

- On April 20, 2023, Presto Pay Sdn Bhd ("PPSB"), had entered into a redemption agreement with V Sing (Malaysia) Sdn Bhd ("VSMSB"), where PPSB participates in the loyalty program operated by VSMSB by recognising the loyalty points hosted by VSMSB and allowing the members of VSMSB to redeem goods and services made available in Presto App.

June

- PUC undertook a proposed private placement of 546,412,000 new ordinary shares to be issued to third party investor(s) (**"Private Placement 2023"**).

July

- On July 3, 2023, Presto Technology Sdn Bhd (**"PTSB"**), an indirect wholly owned subsidiary of PUC, signed a memorandum of understanding with Web Bytes Sdn Bhd. This agreement aims to explore a potential collaboration between the two companies concerning the listing, distribution, and offering of electronic vouchers to users of the Presto App.

August

- On August 9, 2023, PTSB entered into a collaboration agreement with TNG Digital Sdn Bhd (**"TNGD"**), where PTSB will act as TNGD's redemption partner by supplying and providing a range of goods and services for TNG eWallet users' redemption.
- Pictureworks (M) Sdn Bhd (**"PWMY"**), an indirect associate of PUC, has entered into a collaboration agreement with Fortythree Agency Sdn Bhd on 17 July 2023 wherein PWMY was appointed as the exclusive digital imaging operation service provider for the Conjuring Universe Tour at The Curve, Mutiara Damansara.

October

- On October 3, 2023, PTSB entered into a Collaboration Agreement with Web Bytes Sdn Bhd to jointly facilitate the availability and distribution of electronic vouchers on the Presto App for sale to its users.
- Completion of Private Placement 2023.

November

- Mr Leong Yien Hung joined PUC as Non-Independent and Non-Executive Director.
- On November 27, 2023, PTSB entered into a Collaboration Agreement with Janz Technologies Sdn Bhd (**"Janz"**). Janz is at the forefront of addressing plastic waste with their innovative 'Klean' reverse vending machines (**"Klean"**). Klean is a digital container deposit system that motivates the public to recycle empty plastic containers by rewarding them with Klean loyalty points. In this collaboration, PTSB will provide an e-catalogue of products and services that Klean members can redeem using their Klean loyalty points.

December

- Pictureworks Pte Ltd (**"PWSG"**), an indirect associate of PUC, has entered into a Collaboration Agreement with Jewel Changi Airport Trustee Pte Ltd on 1 December 2023 wherein PWSG will be providing digital imaging services to the patrons and guests of the Canopy Park situated within Jewel Changi, at the Singapore Changi International Airport.
- PTSB has entered into a Collaboration Agreement with the operator of the first large-scale contactless payment system for Singapore's public transit network, EZ-Link Pte Ltd on 20 December 2023 wherein the users of EZ-Link are allowed to redeem goods and/or products made available by PTSB with the loyalty points the users accumulated.
- PTSB has entered into a Redemption Agreement with Projek Lebuhraya Usahasama Berhad (**"PLUS"**) on 22 December 2023 wherein users of Plus App or members of PLUS' loyalty points program 'PLUSMiles' will be allowed to redeem goods and/or products made available by PTSB with the loyalty points accumulated.
- Change of PUC's financial year end from 31 December 2023 to 30 June 2024.

2024

January

- Cocoaland co-founders, Lau Pak Lam and Liew Fook Meng emerged as substantial shareholders in PUC, with each of them holding approximately 10.05% and 9.8% stake in PUC respectively.
- Mr Leong Yien Hung resigns from the Board of PUC to pursue other interest.

March

- As part of our CSR initiatives, Presto proudly sponsors Team Malaysia Youth All Girls (TMYAG) from the Cheerleading Association and Registry of Malaysia (CHARM), representing Malaysia at the ICU World Cheerleading Championships 2024. We contributed 1,200,000 Carrots (equivalent to RM12,000) to demonstrate our commitment to fostering youth talent and empowering the community through sports.

April

- PUC has entered into a Memorandum of Understanding on 18 April 2024 with Shenzhen Zhuoxi Innovation Technology Co. LTD in relation to a collaboration on (i) the import of electric vehicle (Product Model: E50A) to countries within the South East Asia region, (ii) provision of fully functional battery swapping station compatible for said electric vehicle within South East Asia region and (iii) provision of swappable battery compatible for said electric vehicle.
- Pictureworks (Hong Kong) Limited (**"PWHK"**), an indirect associate of PUC, has entered into a Services Agreement on 22 April 2024 with Studio City Developments Limited wherein PWHK is contracted to provide digital imaging services at Studio City, Macau.
- Presto embarks on its regional market expansion, bringing innovative loyalty solutions to the e-commerce redemption ecosystem in Singapore and Thailand.

May

- PUC proposes to undertake a private placement of up to 246,778,000 new ordinary shares in PUC, representing up to 10% of the then total number of issued PUC shares, to independent third-party investor(s).

June

- On 10 June 2024, PUC has entered into a Heads of Agreement with Eatcosys Sdn Bhd and Tham Lih Chung for the proposed acquisitions by PUC of 100% equity interest in Alevate Capital Sdn Bhd (formerly known as PNC Loan Sdn Bhd) and Alevate Solutions Sdn Bhd for an indicative total purchase consideration of RM200 million to be satisfied partly via cash and partly via issuance of new ordinary shares in PUC.
- PTSB has entered into Sale and Purchase Agreement dated 30 June 2024 with G Solution Tech Sdn Bhd (**"GSTSB"**) for a proposed disposal by PTSB to GSTSB of a series of software and intellectual property(ies) for a total cash consideration of RM22 million.

September

- Pursuant to a share sale agreement dated September 9, 2024, PUC has disposed of its investment in NKL360 Malaysia Sdn Bhd i.e. 1,177 ordinary shares to Huanming Tang for the sale consideration of RM11,666,000.



News Coverage


PUC proposes another private placement of 30% existing share base to raise RM16 mil

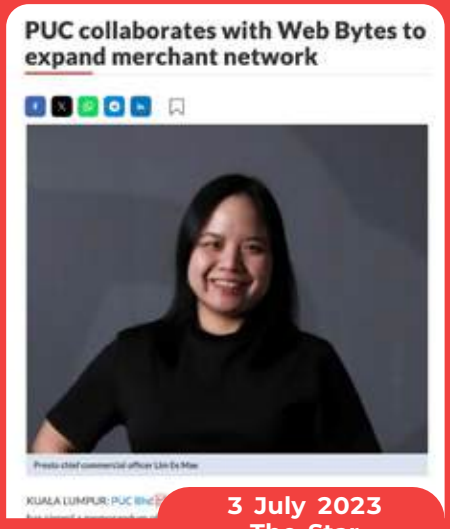
2 May 2023
The Edge


Presto Partners, VSING in Loyalty Points Collaboration

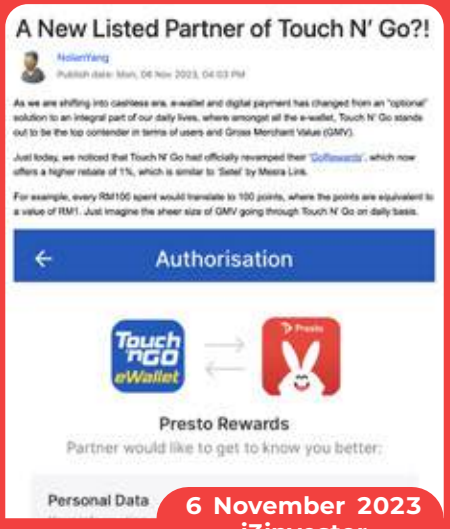
30 May 2023
JCN Newswire


PUC Berhad Narrows Losses as Transition to Loyalty Redemption Business Continues

6 June 2023
Malaysian Business


PUC collaborates with Web Bytes to expand merchant network

3 July 2023
The Star


A New Listed Partner of Touch N' Go?!

6 November 2023
i3investor


PUC among most active stocks after Cocoaland co-founders emerge as substantial shareholders

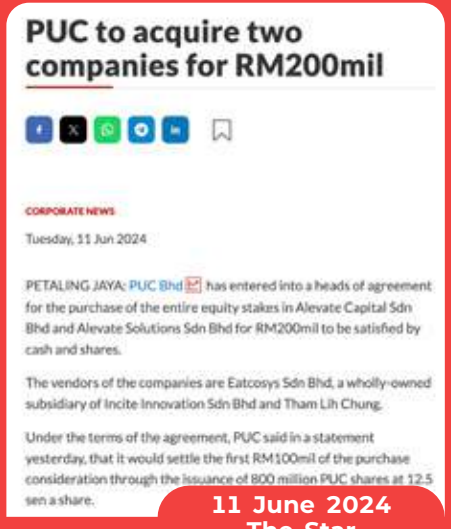
31 January 2024
The Edge


After failed digital bank licence bid, PUC refocuses on reviving online shopping business

12 March 2024
The Edge


PUC to buy Alevate Capital, Alevate Solutions for RM200mil

10 June 2024
New Straits TImes

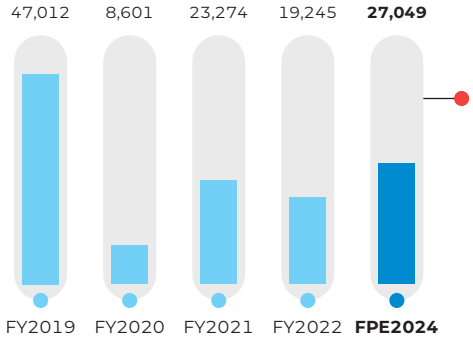

PUC to acquire two companies for RM200mil

11 June 2024
The Star

Key Financial Highlights

Revenue (RM'000)

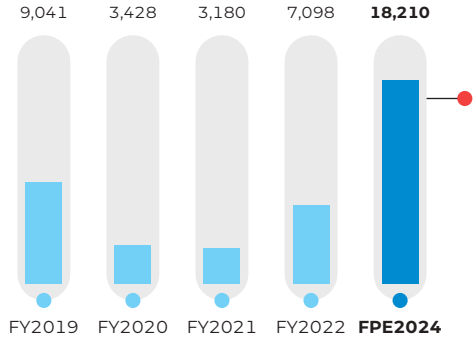
PUC Group



RM**7.8** million
40.6%

Revenue (RM'000)

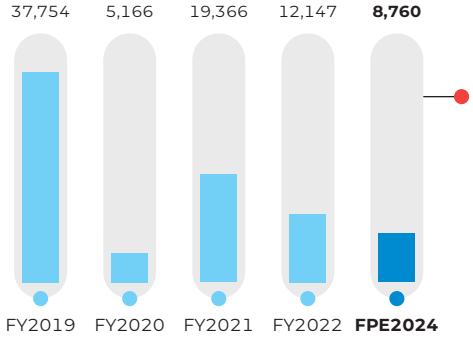
Presto



RM**11.1** million
156.5%

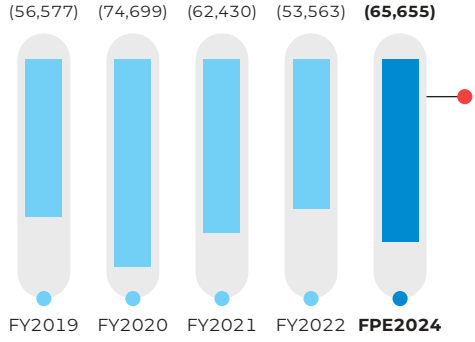
Revenue (RM'000)

OmniChannel



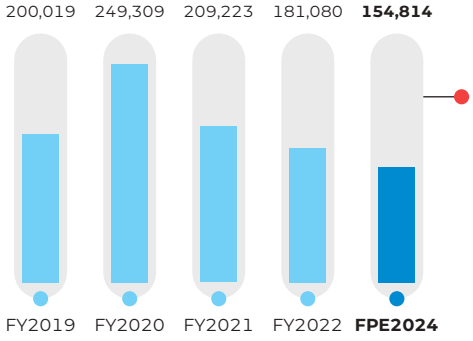
RM**(3.4)** million
(27.9%)

Net Loss After Tax (RM'000)



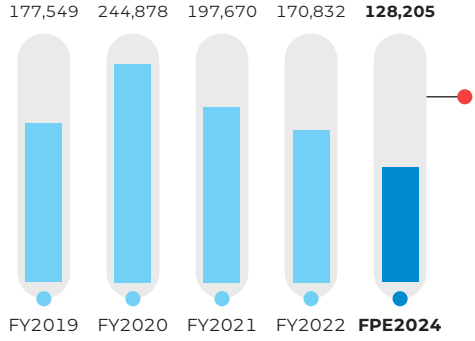
RM**(12.1)** million
(22.57%)

Total Assets (RM'000)



RM**(26.3)** million
(14.51%)

Total Equity (RM'000)



RM**(42.6)** million
(24.95%)

RM million	FY2019		FY2020		FY2021		FY2023		FPE2024	
REVENUE	47.01	100.00%	8.60	100.00%	23.27	100.00%	19.25	100.00%	**27.05**	**100.00%**
OMNICHANNEL	37.75	80.31%	5.17	60.06%	19.37	83.21%	12.15	63.12%	**8.76**	**32.39%**
PRESTO	9.04	19.23%	3.43	39.86%	3.18	13.67%	7.10	36.88%	**18.21**	**67.32%**
CORPORATE & OTHERS	0.22	0.46%	0.07	0.08%	0.73	3.12%	0.00	0%	**0.08**	**0.29%**

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

Ng Say Beng
Non-Independent Non-Executive Director

Dato' Sri Adnan Bin Wan Mamat
Non-Independent Non-Executive Director

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

Leong Yien Hung
Non-Independent Non-Executive Director
(appointed on 1 November 2023 and resigned on 29 January 2024)

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.

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

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
- Fong Yew Meng

Member
- Liew Peng Chuen @ Liew Ah Choy
- Raja Zafura Binti Raja Zain *(resigned on 19 September 2023)*
- Ooi Kah Hoe *(appointed on 19 September 2023)*

REMUNERATION COMMITTEE

Chairman
- Liew Peng Chuen @ Liew Ah Choy

Member
- 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

COMPANY SECRETARIES

- Lim Seck Wah (MAICSA 0799845)
  (SSM PC No: 2020 08 00 0054)
- Tang Chi Hoe (Kevin)
  (MAICSA 7045754)
  (SSM PC No: 2020 08 00 2054)

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
47301 Petaling Jaya
Selangor, Malaysia
Tel : +6(03) 7651 0188
Fax: +6(03) 7651 0088

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 has shifted its focus onto the digital market and spent the last several 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 Omnichannel and Presto verticals complement our Corporate and Investment verticals.

PUC's overarching vision is that the persistent expansion and adaptability of these fundamental digital ventures will propel the brand to new heights and position PUC as one of the foremost digital service providers in the country.



OMNICHANNEL

PUC's Omnichannel segment offers marketing solutions that combines 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.

Our Omnichannel segment has noticeably experienced substantial transformation in response to the declining demand for traditional media. We have proactively redirected our efforts towards exploring opportunities in the digital media and advertising sector. The primary objective is to seamlessly integrate the Omnichannel segment into our Presto digital ecosystem, leveraging digital marketing and advertising strategies to promote Presto's diverse range of products and services. The primary entity under this segment is currently RedHot Media Sdn Bhd.

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.

Our Business (cont'd)



PRESTO

The Presto segment encompasses all businesses related to the Presto platform. This includes:

E-commerce operations	Electronic money services	Loyalty points redemption and aggregation	Technology businesses

These areas collectively represent the various aspects of the Presto Platform, integrating different aspects of digital and financial technology. The following subsidiaries of PUC are actively involved in these areas:

PRESTO TECHNOLOGY

Presto Technology Sdn Bhd – Presto Technology Sdn Bhd primarily operates the mobile application known as "Presto" (**"Presto App"**). The Presto App serves as a comprehensive digital platform, integrating various services including e-commerce, payment solutions and loyalty program. The Presto App offers a wide range of products for purchase, providing users with an online shopping experience which aims to facilitate easy and convenient transactions through its digital interface. In conjunction with its partnership and collaboration with various loyalty points program operators, Presto Technology Sdn Bhd also integrates its partners' loyalty points programs with the Presto App. With this, Presto App functions as an e-catalogue, allowing the members of such loyalty points programs to redeem their accumulated loyalty points for various products and earning loyalty points at the same time.

Apart from the above, Presto Technology Sdn Bhd also offers an open drop-shipping service known as "PrestoDirect". PrestoDirect allows retailers and business owners to venture into online sales by permitting such persons to sell their products on their own online retailer stores. PrestoDirect is a comprehensive drop-shipping service, offering not only product listing function, but integrated with payment services and warehouse storage and management services too.

As a technology-driven entity, Presto Technology Sdn Bhd also focuses on integrating advanced technology to improve user experiences and platform efficiency. It is also involved in developments in mobile technology, data analytics and digital security.

PRESTO PAY

Presto Pay Sdn Bhd – As a licensed electronic money issuer registered with the Central Bank of Malaysia (Bank Negara Malaysia), Presto Pay Sdn Bhd operates our e-wallet and electronic payment service known as **"PrestoPay"**. PrestoPay is integrated with the Presto App, facilitating seamless transactions within the e-commerce platform and enhancing the overall user experience. PrestoPay enables users to make and receive payments through various electronic methods, such as mobile payments, online transactions and digital wallets.

Apart from operating the PrestoPay, Presto Pay Sdn Bhd also handles aspects related to loyalty point redemptions and rewards as part of its payment services, integrating these features with the broader Presto ecosystem. Presto Pay Sdn Bhd has collaborated with various loyalty points program partners such as BonusLink, VSING, Rise Advisory, PLUSMiles etc.



INVESTMENT

As PUC recognises that strategic investments are essential to its business model, it is dedicated to ongoing innovation and the pursuit of new business opportunities by diversifying into various industries and market. To secure valuable investments that foster and strengthen both new and existing partnerships, the Group focuses on making bold, forward-thinking decisions while staying attuned to current trends.

IMAGERY CAPTURE, DISTRIBUTION PLATFORM

Pictureworks Group – Pictureworks Group specialises in imagery capture and distribution platforms and imagery system licensing. Pictureworks Group has provided services to more than 40 theme and leisure parks across 13 countries. During the FPE2024, the shareholders of Pictureworks Holdings Sdn Bhd (**"PWHSB"**) have swapped their shares in PWHSB for new shares in Pictureworks International Holdings Limited (**"PIHL"**), a company incorporated in Cayman Island. Following this, PWHSB has become an indirect wholly-owned subsidiary of PIHL, and PIHL is now an associate of PUC, with PUC holding a 27.53% equity stake in PIHL.

Our Business (cont'd)



OTHERS

STRATEGIC INVESTMENTS AND VENTURES

Over the past years, PUC has diligently developed its digital ecosystem through the Presto segment. Today, Presto has established itself as a mature player in the market, offering a comprehensive range of services in digital payments, e-commerce, online-to-offline (**"O2O"**) interactions and loyalty points aggregation. The ultimate goal is to evolve into a super loyalty app in the region.

Continuous improvement and advancement will remain pivotal for the future of Presto's digital ecosystem, as PUC anticipates significant growth ahead. The Group is poised to capitalise on emerging opportunities, further strengthening its position and driving expansion in the coming years.

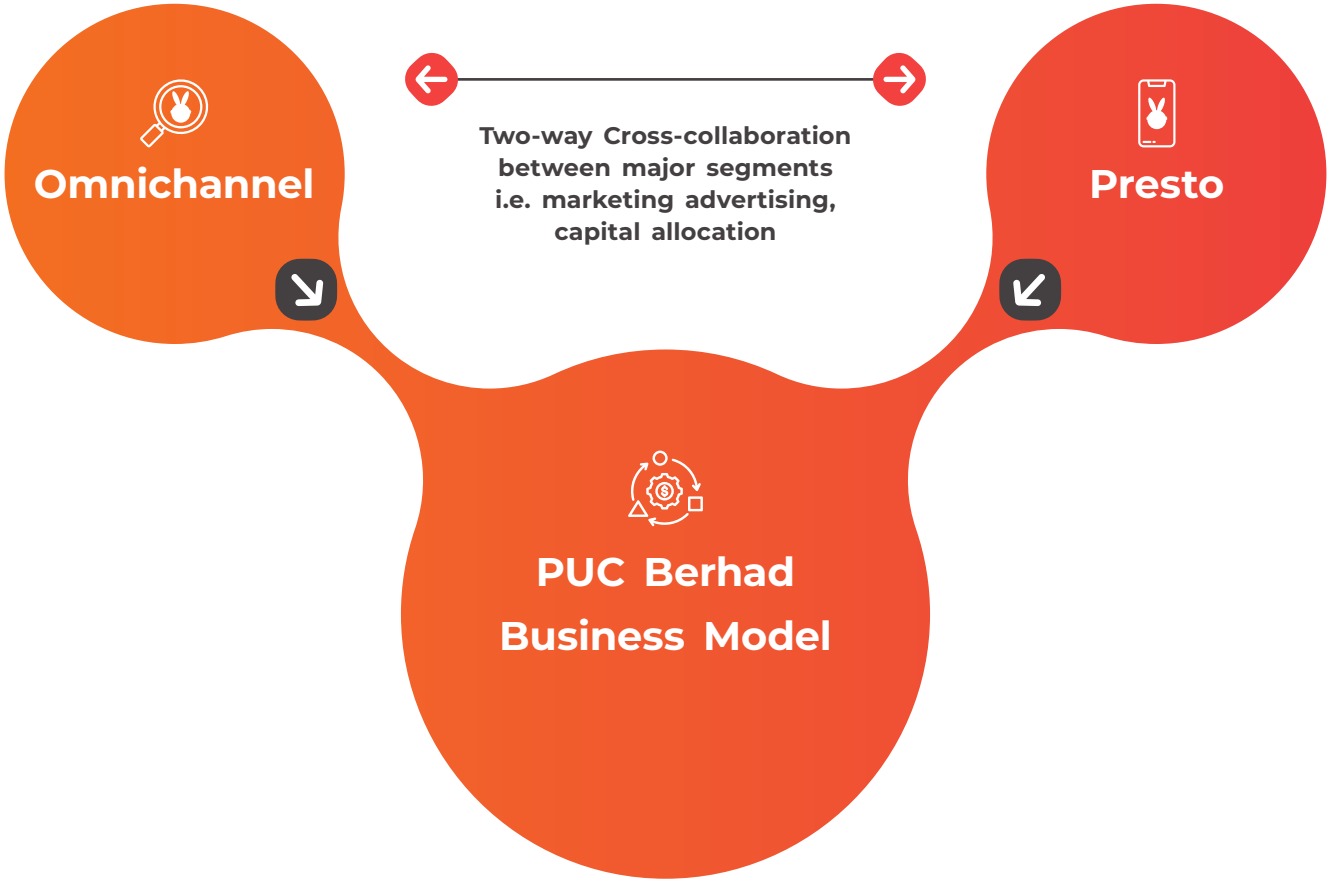
Strategy Review

PUC Berhad and its subsidiaries ("PUC" or the "Group") began as a traditional media solutions provider in 1997, but over time, has transformed into a prominent digital service provider in Malaysia. Presently, there is a significant reliance on the digital realm, revolutionising the way consumers buy and utilise products and services. PUC's ongoing focus lies in embracing e-commerce and other digitalisation methods to continually evolve and enhance its offerings.

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:



Strategy Review (cont'd)

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 on the Presto Digital Ecosystem to drive the Omnichannel Marketing collaboration as demand for conventional and outdoor advertising had 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.
 **Presto**	***i) Partner Loyalty Points Direct Integration*** – Loyalty points redeemed at Presto will be funded by respective loyalty programme partners ***ii) Presto's Products*** – 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 to our partners' platform, which on aggregate reaches out to more than 20 million members represented by these platforms. Brand Partners of Presto can also access to the reach of more than 20 million users via Presto Mini Programme in our partners' App/Web. We have various merchandising partnership models to meet the needs of different industry 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 it's 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

The Annual Report emphasises the importance of including information, performances and forecasts related to the digital ecosystem, given that this ecosystem goes beyond a mere online retail platform for digital goods; it represents a transformative force that can revolutionise people's lifestyles by providing accessibility and convenience.

The objective of Presto is to become the largest loyalty platform, benefiting PUC, its partners, merchants and customers. The foundation of Presto's ecosystem is the strategic partnerships that PUC forges. Finding the right partner is crucial for a successful integration into our platform and subsequently thriving in it, benefiting us, our partners and the consumers. Presto defines its partners into two types: Loyalty Issuers and Merchant Partners.

Loyalty Issuers	Merchant Partners
Loyalty issuers play a crucial role in engaging users and providing value. Presto's strategy focuses on allowing members to shop for free by earning points through various platforms. By examining users' daily lives, Presto identifies key partners across different segments to offer relevant products and services. For example, Presto partners with significant entities like Touch 'n Go (TNG), leveraging their extensive user base. By focusing on related services within the same industry, such as PLUSMiles and BonusLink, Presto aims to create a cohesive ecosystem where users can benefit from a variety of connected services.	Merchant partners work with Presto to enhance the app's ecosystem, benefiting from access to a ready-to-spend customer base. Presto's key selling point to merchant partners is the ability to attract members by offering point redemption opportunities. Unlike traditional e-commerce platforms, Presto does not guarantee sales but ensures product exposure to a broader audience. This helps the merchant partners introduce new products, encourage repeat purchases, and liquidate inventories, all while connecting with a more engaged and financially ready customer base.

With strong partnerships, PUC has long prioritised the development of a comprehensive digital ecosystem, aiming to establish a robust system that not only facilitates customers' interactions in the marketplace but also fosters the creation of innovative services and offerings. This ambition reflects PUC's commitment to staying at the forefront of the digital landscape and continuously enhancing the overall customer experience.

Our value proposition is to enhance our partner's customer retention and fully unleashing the potential of their marketing spend



Strategy Review (cont'd)

The distinctive propositions within Presto's comprehensive digital ecosystem mentioned previously empower the delivery of a diverse array of global products that can be purchased or redeemed, both offline and online. This dynamic Merchandise Mix is designed to cater to the various segmentation of customers' needs, ensuring a wide-reaching and inclusive approach to meeting their preferences and requirements.

> 20,000	> 1,000	> 10
products for redemption via Presto App	**brands** At Presto online Store	**countries** global products from all over the world

Key categories on Presto's marketplace that cater to different customer segmentations include:



The marketing of our products via Presto mini programmes embedded in the platforms of multiple partners remains another important facet that fundamentally complements Presto's product and services catalogue, as this holistically expands the scope of the Presto digital ecosystem and pushes product sales through other marketplaces via the following enabler programmes

Financial Services

RISE Advisory

Manulife

AmBank Group

Transportation and Travel

ezlink

Shell

PLUSMiles

Grab

Wallet and Payment Services

Boost

eFMX

Touch 'n Go eWallet

Rewards & Loyalty Programmes

BonusLink

Other

Environment and Sustainability

klean the world

Entertainment

Vsing

Presto's digital ecosystem benefits from a strong and efficient distribution system, which facilitates the dissemination of its extensive range of products and services. This system encompasses multiple e-wallet payment options, effective logistics and warehouse management, money lending services, sales of goods and services, open drop shipping as well as the aggregation of specific services and products. This integrated approach ensures seamless accessibility and convenience for customers, enabling them to explore and utilise a wide array of offerings within the Presto platform.

Value proposition to merchants on Presto platform

- **Marketing Product Launch**
- **Digital Warehouse Clearance**
- **Driving User Acquisition**
- **One Stop Platform**
- **Last Mile Fulfilment**
- **Cross Marketing**

Platform features a digital redemption catalog, enabling partnered brands and services to reach and sell to over 20 million users

Our value proposition to merchants is the high brand exposure coupled with high conversion rates through our extensive user base

Effective and Targeted Reach
Presto uses data analytics to analyse sales data to identify trends and help merchants increase sales

High Conversion and Touch Point
A robust online presence significantly boosts conversions, driving increased product purchases and higher foot traffic to physical stores

Digital Warehouse Clearance
Leverage loyalty points as a discount mechanism to clear expiring or old stock, allowing consumers to enjoy discounts without affecting brand perception and reducing the cost needed for warehouse sales



Brand Exposure – Access to >20M users
Merchants can feature products in Presto's Loyalty Ecommerce Redemption Catalogue to establish strong brand identity and consumer recognition

Listing Flexibility
The catalogue's ability to frequently update product listings ensures that the merchant's brand adapts to market trends and customer preferences in real-time

Strategy Review (cont'd)

Loyalty E-Commerce Redemption Hub

The loyalty programmes sector of digital offerings, a booming digital proposition that is still mired by certain persistent challenges, which PUC aimed to addressed in its own platform, including:

Challenge to Accrue Points	High Cost of Product Maintenance	Challenge for Consumers
Loyalty points are solely accumulated through a single channel from the issuers, consumers often struggle to gather enough to redeem for valuable rewards.	Curating a product catalog for redemption purposes is not cost-effective for a company, especially since it falls outside of their primary business focus.	In managing multiple programs. Many loyalty programs in the market, each with their own platforms, and that users often do not track their points until they are close to expiring.
Lack of Redemption Choices	**Costly for Technology Enhancement**	**Low Redemption Rate**
Consumers are interested in having a variety of redemption options, including not just physical goods but also the ease of redeeming vouchers and services across various retail locations.	To run a redemption end to end fulfillment services, incorporating with all the data intelligence and digitalizing the program, the company will need the relevant tech, which again, is not their main core business.	A common issue with loyalty programs is low redemption rates, which can undermine their perceived value. Customers may accumulate points or rewards but fail to use them due to unawareness, lack of interest, or redemption difficulties.

PUC thoroughly analysed these major challenges faced by end users and loyalty programme companies, concentrating on ensuring smooth user scenarios and digital accessibility that would elevate it's own services in the eyes of new, existing and potential loyalty programme end users.

This is how the Presto's comprehensive loyalty redemption hub for loyalty users was created, aggregating multiple loyalty points to enable users to seamlessly combine their points for redemptions. Utilising advanced technology, Presto enhances the value of loyalty points by integrating them into a digital currency, providing customers with enhanced flexibility and convenience in utilising their accumulated loyalty points.

This seamless communication, engagement and technology integration in bridging the key stakeholders of the loyalty ecosystem benefits all parties overall.

Enhancing the value of loyalty points by consolidating them and offering easy access to a user-friendly redemption catalogue



POINT ISSUER

Boosting the rewards available for loyalty redemption with a wide range of products, allowing for payment through the combination of various loyalty points



CONSUMER

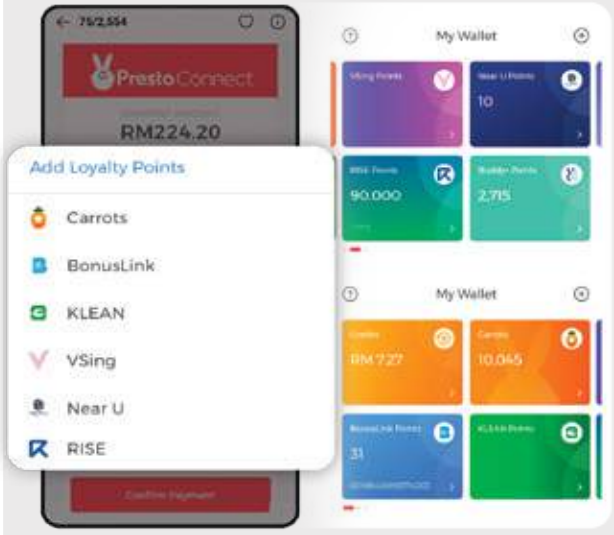
Gain brand visibility and increasing conversions by providing effortless access to 20 million users via a single, unified platform.



MERCHANT

This innovative approach ultimately connects, engages and retains users for brands, offering a wide diverse range of products and services for real-time redemption. Presto is transforming the loyalty program landscape by offering members the extensive product catalogue supported by dynamic e-commerce capabilities.

The primary goal of the Presto digital ecosystem is to become the largest loyalty platform.



Accumulation of Points Across Different Issuers

Presto enables consumers to **combine different loyalty points in a single platform for redemption**, creating convenience and accessibility for consumers.

Abundance of Products and Services

Through the e-commerce redemption platform, Presto offers **access to over 20,000 products** and services. The Group ensures constant refresh and update of offerings, ensuring that customers have **access to a diverse and latest trends** in the market.

Incentive for Consumers to Accumulate Points

With a clear value proposition, consumers are **encouraged to spend more** with the issuers to earn points and redeem more, enhancing platform loyalty.

Additional Incentive on Presto Platform

In addition to loyalty points from issuers, **Presto incentivizes consumers** with more points with their engagement. This **increases participation for redemption**, creating a knock-on effect for user growth.

These diverse focus areas of PUC's digital ecosystem development not only raise the number of users who are on the Presto digital ecosystem, but also function to efficiently and transparently serve these customers 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 these aforementioned services to become part and parcel of daily living.

Strategy Review (cont'd)

STRATEGIC OUTLOOK OF THE OPERATING ENVIRONMENT

PUC maintains a strong commitment to advancing forward-looking services within the e-commerce and fintech sectors. Over the past years, PUC has diligently established a solid groundwork for its operations, particularly evident in our Presto digital ecosystem. At present, we are transitioning into the phase where we can begin reaping the rewards of this foundational work.

Central to our strategy is a renewed dedication to enhancing and sustaining our specialised business area, specifically focusing on loyalty points and the delivery and aggregation of redemption services. The overarching objective is to transform into an exceptional loyalty application that accommodates a multitude of loyalty partners. This will empower consumers to utilise loyalty rewards as a distinctive payment mechanism for conducting transactions within the Presto digital ecosystem.

The current trend and future projections of loyalty programmes remain strong. The Antavo Global Customer Loyalty Report 2024 found that the average annual spend of members who redeem personalised offers is 4.3 times higher than those who have never utilised these offers, reflecting loyalty programmes' lasting market capture that can become a strong recurring revenue stream fo the Group. Antavo's previous year's report in also identified strategic partnerships, linking payment cards for loyalty programmes and supporting ESG causes as top trends for the next few years, which already aligns with PUC's business plans.

The Loyalty Trends 2023 Report and 2024 Report by Open Loyalty also indicates that over the upcoming 2 to 3 years, critical developments in this industry landscape will encompass Web3.0, the merging of payment and data realms, an escalating emphasis on providing tailored communication and experiential offerings, experience-based rewards as well as gamification / game-based mechanics.

Given the successful consolidation of diverse services within a unified ecosystem, we are ideally positioned to take full advantage of the positive trajectory projected for loyalty programmes.

E-commerce Focus and More

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 situation 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 it also allows consumers to browse through wider range of products at competitive prices due to ease of accessibility at many online storefronts.

The outlook for e-commerce in Malaysia is highly promising, poised for continued expansion due to the nation's appealing market foundation, which is already deeply aligned with digital technologies. According to the United States' International Trade Administration, an impressive 80% of the country's population, equating to 27.4 million individuals, were active internet users as of 2021. This prevalence of internet usage is accompanied by a substantial mobile penetration rate of 84.2%, with Malaysia boasting 39.99 million mobile connections.

Furthermore, Malaysia's e-commerce sector is forecasted to achieve a noteworthy milestone, reaching a market value of USD 12.6 billion by the conclusion of 2024. These statistical insights unequivocally demonstrate that the future of e-commerce in Malaysia is not only bright but also substantiated by substantial data and trends.

When it comes to domestic policy, the Madani Economy framework also hinges significantly on the digital economy sector which stands as a cornerstone of economic advancement within the nation, according to the Digital and Communications Ministry. This sector assumes one of the primary pillars in propelling economic growth in the country. The Malaysian government therefore continues to foster and bolster a robust digital economy through a range of strategic measures. Beyond establishing the Digital Free Trade Zone to accelerate the country's burgeoning internet economy and facilitate the international reach of Malaysian SMEs through e-commerce, the Malaysia Digital Economy Corporation has introduced the Malaysia Digital Status program. This initiative aims to provide eligible businesses with exclusive incentives, thus enabling them to flourish within the digital economy ecosystem.

With these optimistic market projections and robust government backing for the digital economy, PUC remains resolute in its commitment to harness the boundless opportunities within the digitalised realm of products and services. This strategic direction is geared towards both business expansion and positioning PUC as a key player within the digital market landscape. PUC's forward-looking strategy encompasses the propagation of the following initiatives:

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 30 SEPTEMBER 2024

PUC

CORPORATE



- PUC Management Sdn Bhd

PRESTO



- PUC Capital Sdn Bhd *(formerly known as Founder Pay Sdn Bhd)*
- Presto Universe Sdn Bhd
  - Presto Technology Sdn Bhd
  - Presto Credit Sdn Bhd
  - Presto Pay Sdn Bhd
  - Presto (Singapore) Pte Ltd *(formerly known as Enovax Pte Ltd)*

OMNICHANNEL



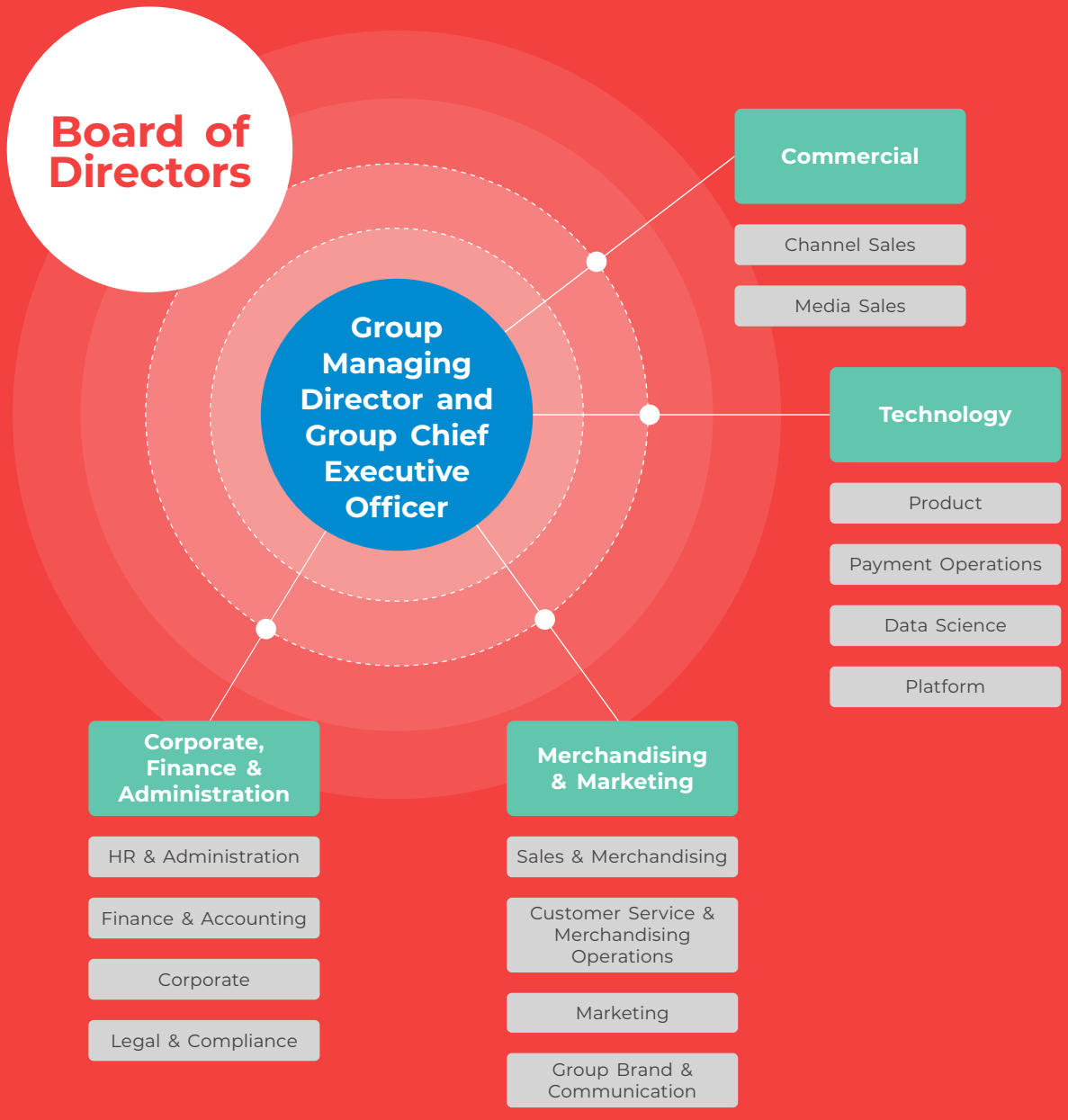
- RedHot Media Sdn Bhd
- Pictureworks International Holdings Limited
  - Pictureworks Group of Companies

Notes:

1. 100% direct or indirect owned subsidiary, unless indicated otherwise 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 111 to 214 of this Annual Report for more details on the corporate structure.

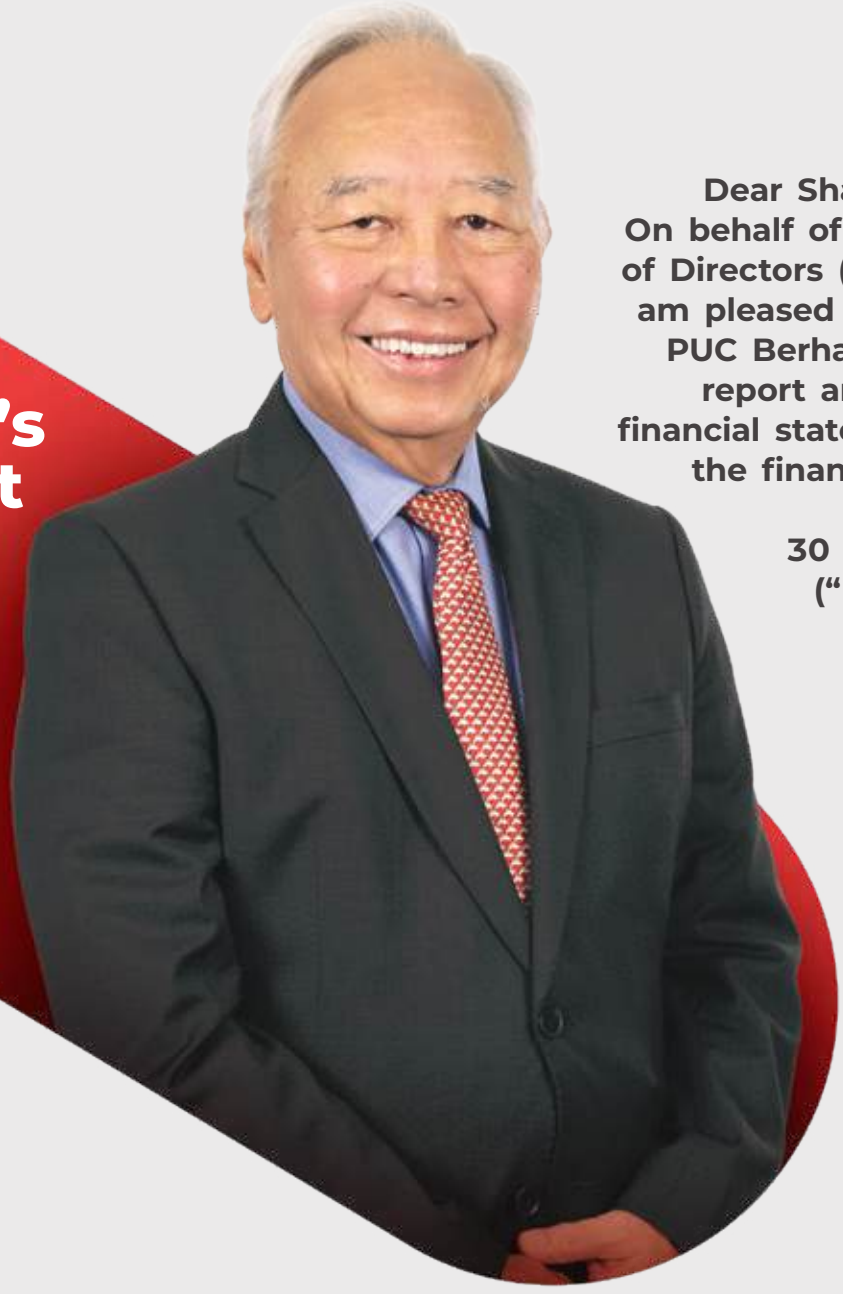
Group Organisation Structure

AS AT 30 SEPTEMBER 2024



Chairman's Statement

DATUK OH CHONG PENG
CHAIRMAN



Dear Shareholders,
On behalf of the Board of Directors ("Board"), I am pleased to present PUC Berhad's annual report and audited financial statements for the financial period ended on 30 June 2024 ("FPE2024").

In FPE2024, PUC encountered both new challenges and unique opportunities. As the global community worked to recover from the effects of the COVID-19 pandemic, new crises emerged, affecting communities and businesses. Climate extremes, geopolitical unrest, food and energy shortages, as well as disruptions in the global supply chain began to reshape industry landscapes and market dynamics. Through this volatility, PUC faces ongoing challenges with robust operational resilience. PUC remains steadfast to its core principles of digital-focused business solutions, and tactically revisiting its operations and expansion strategies to ensure our enduring business sustainability.

As part of our strategy review, we have undertaken an internal restructuring process. This involved not only disposing of certain assets but, more crucially, recognising the key strengths of our entire core business and reallocating talent to the most profitable areas of the business. This approach ensures that our team's skills are utilized effectively. By focusing on enhancing our digital ecosystem and leveraging existing partnerships, pursuing new collaborations, and implementing key internal changes, we aim to strengthen PUC's services in FPE2024. This is particularly important for our extensive user base of over 21 million Presto users. This is particularly evident in the expansion of the loyalty e-commerce redemption service on Presto, which will consolidate users from different loyalty programmes onto a single e-commerce platform, offering a wide range of services and products to explore.

Our Presto platform is firmly established among players in the e-commerce industry, and our ability to foster newer partnerships in FPE2024 with Touch N Go E-Wallet, PLUSMiles, Grab and many more has further proven Presto's and PUC's rising relevance in the digital space both domestically and regionally.

Sustainability plays a key role in our business as well, not just in sustaining good business relationships and financial profitability, but also in the environment. We constantly look at how we can empower the users of Presto App and the general public to adopt more environmentally-conscious practices. This is exemplified by our partnership with KLEAN, which fosters environmental awareness and action by encouraging users to recycle plastic bottles in exchange of loyalty points.

In FPE2024, PUC recorded a total revenue of RM27.05 million, a 40.55% increase compared to FY2022's RM19.25 million in revenue. The Omnichannel's segment recorded lower revenue mainly due to a change in the Group's focus in providing services to clients with local media instead of regional media, delay in executing certain media campaigns, as well as an overall shift in focus towards the Presto segment more, which affected PUC's traditional media and advertising business. The Presto segment saw revenue increasing year-over-year mainly caused by higher software project sales to external clients since software developments focused more on Presto's internal digital ecosystem, as well as lower manpower costs billed out to an associate company.

The Group loss before tax also increased, with the Group recording RM65.65 million loss after tax in FPE2024 compared to RM53.56 million loss after tax in FY2022. This loss after tax was due to further cost arising from the Group's ongoing cost optimisation efforts in streamlining our assets and operating entities in order to drive business operations more efficiently in the target markets.

OUTLOOK AND PROSPECTS

The outlook for FY2025 remains uncertain and we anticipate continued economic and geo-political challenges. However, PUC intends to persist in identifying strategic investment possibilities through domestic and international collaborative ventures to systematically enlarge the Presto digital ecosystem and broaden its reach to a more diverse audience. This blueprint also encompasses expansion into different regions.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board, I want to express gratitude to both our local and international business associates, shareholders, committed staff and other pertinent stakeholders for their unwavering support. I also extend my appreciation to the Board members, for their resolute dedication in guiding the Group throughout the year.

DATUK OH CHONG PENG
CHAIRMAN

"PUC remains steadfast to its core principles of digital-focused business solutions, and tactically revisiting its operations and expansion strategies to ensure our enduring business sustainability."



Message from Group Managing Director and Group Chief Executive Officer

CHEONG CHIA CHOU
GROUP MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

In FPE2024, PUC reported an increase in its total revenue of RM27.05 million and a loss after tax (**"LAT"**) of RM65.65 million (FY2022: RM53.56 million). This change is attributed to the Group's ongoing cost optimisation efforts, as Presto continues its transformation into a comprehensive digital services platform which involves integrating a range of services and products to better reach and serve target markets. This evolution involves an increased focus on offering digital marketing services. While we remain steadfast in our commitment to digital expansion, it is important to note that media will continue to play a key role within our Omnichannel strategy.

As PUC continues to transition from a traditional media provider to a digital-centric media and advertising services provider, the Omnichannel segment recorded a lower revenue of RM8.76 million in FPE2024 compared to FPE2022's RM12.15 million.

PROMOTING A COMPREHENSIVE DIGITAL ECOSYSTEM SOLUTION

It has become evident just how impactful the pandemic has been in accelerating online adoption of many services and activities. E-commerce, delivery services, online payments, e-Vouchers and more have entrenched themselves into the large majority of people's lives. This trend has given rise to a culture that increasingly competes with and even surpasses physical interactions in terms of both quantity and the richness of experiences.

The digital trend is even more so proliferated from the top, with the Malaysian government heavily pushing digitalisation across various sectors of the economy and society, primarily through the MyDIGITAL initiative, with the ultimate aim of positioning Malaysia as a high-income digital-savvy leader in the regional digital economy by 2030. The country is currently entering Phase 2 of the initiative, which spans from 2023 to 2025. This phase will emphasise accelerating and strengthening digital transformation and enhancing digital inclusion.

Furthermore, Malaysia's overarching digitalisation initiative was recently bolstered by the Budget 2024, with a particular focus on supporting local startups. This includes efforts to establish Kuala Lumpur as the regional hub for the digital industry and startups in Southeast Asia. This bodes well for PUC, because, despite the Group being no longer in the startup phase, the burgeoning digital startup landscape will no doubt usher in a healthy surge of market, economic and investment opportunities to the nation's digital hubs.

With the soaring rate of digitalisation becoming a normality as well as a boon in the landscape of digital services and products sector, PUC is well-positioned to capitalise on the current market trend with the Presto App. Presto App has already seen substantial growth, adapting to the expanding digital ecosystem that many people are embracing.

PUC is capitalising on the robust growth in the global digital and financial technology sectors by making significant strategic investments. These investments are primarily focused on areas such as loyalty points management and aggregation, e-commerce, e-wallet, financing and payment solutions.

Thus, PUC recognises the need to balance the expansion of its digital offerings with traditional physical habits and activities that remain prevalent, such as shopping, food purchases and payments. To address this challenge, it is crucial to implement a holistic all-in-one product strategy that integrates both digital and physical markets. This approach has recently been strengthened through enhanced loyalty points and redemption service aggregation and delivery.

Deepening our focus on loyalty-to-redemption involves offering both existing and new users an extensive catalogue of loyalty programmes. Users of Presto App are permitted to combine their different loyalty points and redeem products seamlessly through our Presto App. For example, a Presto user who is already affiliated with BonusLink and PLUSMiles loyalty programmes can utilise his or her loyalty rewards i.e. BonusLink Points and PLUSMiles Points collectively to make purchases on Presto. This unique payment method provides Presto users with the flexibility to make savvy spending choices by utilising their accumulated loyalty rewards independently or in conjunction with other available payment methods to access a diverse range of products and services on Presto. This pivot towards the loyalty programmes segment capitalises on the growing trend of digitalisation and extends beyond it, while also remaining resilient to the gradual return of society to physical habits. This strategic expansion aligns with our vision of evolving into a comprehensive super loyalty points e-commerce app, fostering partnerships with a multitude of loyalty programmes and enhancing our Presto community's engagement through synergies with our valued merchants and loyalty rewards partners.

FORGING WIN-WIN PARTNERSHIPS

PUC remains committed to pursuing strategic win-win collaborations with businesses that contribute to fortifying the foundation of the Presto digital ecosystem. This involves not only enhancing our service offerings but also expanding our reach within the community and ensuring their sustained engagement.

This commitment is clearly evident in our recent strategic expansion into the Singapore and Thailand markets, where we have introduced an innovative loyalty e-commerce redemption ecosystem and appointed dedicated Country Heads for Presto Singapore and Thailand. In Singapore, we have made notable progress through our partnership with EZ-Link. The initial phase of the collaboration allows EZ-Link app members to redeem products and services from Presto in Malaysia. This partnership represents a significant milestone in cross-border loyalty redemption, with plans to enable the combination of loyalty points from multiple issuers in the next phase.

As for our efforts in bolstering the loyalty e-commerce redemption business model, PUC continues to maintain and forge key partnerships with esteemed companies such as Bonuskad Loyalty Sdn Bhd (**"BonusLink"**), Rise Fincom Advisory Sdn Bhd, TNG Digital Sdn Bhd (**"TNGD"**), Janz Technologies Sdn Bhd (operator of the KLEAN recycling reverse vending machines), V Sing (Malaysia) Sdn Bhd (**"VSING"**) and Projek Lebuhraya Usahasama Berhad (**"PLUSMiles"**).

One of our most exciting projects in FPE2024 is our new collaboration with PLUSMiles, Malaysia's largest mileage rewards programme for expressway travellers. This collaboration represents a significant achievement for PUC as we tap into PLUSMiles' extensive user base to offer a wide range of rewards and enhance redemption options for PLUSMiles members. You can now find a comprehensive product rewards redemption catalogue within the PLUS App, featuring an extensive array of products and e-vouchers, available for PLUSMiles members' browsing and redemption.

Group Managing Director and Group Chief Executive Officer's Message (cont'd)

Furthermore, we have secured an exclusive supply agreement for a range of products with GrabRewards, leading to significant sales growth in the first half of the 2024. We've also seen strong growth in our partnership with TNGD's GOrewards loyalty programme, with increased user acquisition and higher traffic to Presto App in FPE2024.

Another key loyalty collaboration was established with VSING, enhancing the value of their members' loyalty points through Presto. With this collaboration, V Points is now recognised within the Presto ecosystem and VSING members are allowed to combine their V Points and other digital payment methods to make purchase transactions in Presto App. Launched in June 2023, the Presto-VSING collaboration offers VSING members a range of offerings, including exclusive products and services, from both renowned partner brands and independent providers.

These collaborations and partnerships fortify our ability to introduce and integrate more loyalty rewards systems into Presto App. In fact, Presto provides users a seamless experience for account creation and linking with other loyalty points accounts, as well as smooth payment experience that allows users to combine loyalty points of their choosing.

With the objective of establishing Presto as the largest and leading platform for loyalty points redemption, we are actively seeking further like-minded business partners. We are open to exploring partnerships that create new avenues for PUC and Presto, such as e-vouchers integration, and will evaluate such opportunities as they arise.

STREAMLINING THE PRESTO ECOSYSTEM

With PUC laser-focused on its key ambitions for the Presto platform, the Group has been streamlining the Presto ecosystem to ensure stable profitability as well as relevancy in the digital service offerings. This includes reconsidering the trajectory and of certain initiatives under the Presto umbrella.

Presto Plus Sdn Bhd and Presto Assure Sdn Bhd, which handle logistical aggregation service and insurance aggregation service respectively, have seen stagnated growth. Therefore, we will be halting expansions in these areas. Moreover, other entities such as Presto e-Office Sdn Bhd and Presto Retail Sdn Bhd have been deemed not aligned with the future direction of PUC and Presto. Consequently, these entities have been transferred back to other stakeholders, and rebranding measures are underway. Although the situation is similar for Presto Power Sdn Bhd, we have decided to proceed with integrating the power banks into circulation among our merchants and loyalty partners, under the banner of Presto Technology Sdn Bhd.

It is vital that PUC periodically restructures and reevaluates its services, segments, talents and processes to not only ensure continued profitability, but allowing strategic resources to be freed up for important ventures going forward.

NAVIGATING OUR FUTURE IN THE DIGITAL REALM

PUC's rapid advancement in digital infrastructure during the pandemic enabled it to navigate through the challenging period effectively. As a result, the Group has continued to see strong growth in the post-pandemic era, with PUC operating in an economic environment where the Malaysian government is boosting digital-focused frameworks to strengthen the country's economy and investors' confidence. Moreover, PUC's recent restructuring has also helped the Group to improve efficiency within its business processes.

PUC will continue to focus on developing and advancing the digital media business to better integrate with the Presto segment. This will involve offering digital media and advertising packages to both local and international brands, with the aim of reaching a wider audience through Presto's digital ecosystem.

PUC will also strive to maintain its profits momentum under Pictureworks Group and RedHot Media Sdn Bhd through organic business growth, while at the same time widening its collaboration with business partners.

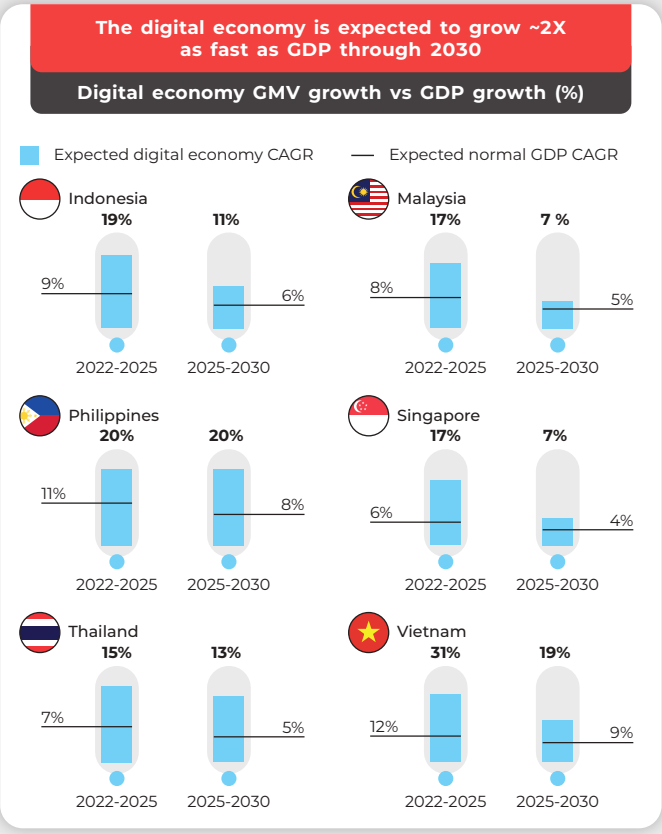
As a tech-driven company, PUC is keenly interested in cutting-edge technologies across marketing, retail, fintech, e-commerce, and more. Our focus is on leveraging technological innovation to enhance Presto's growth and prominence. In the coming months, via the acquisition of Alevate Solutions Sdn Bhd (**"Alevate"**), we will explore further cross-integration between PUC and Alevate Solutions Sdn Bhd, including the formalisation of a new fintech vertical within PUC's business strategy. Ultimately, PUC aims to create synergies within its organisations.

Moreover, in addition to these pivots, PUC will continue building up its newest infrastructure under the Presto system; its loyalty e-commerce redemption programme and digital services under the Presto umbrella.

In our endeavour to nurture the niche segment of aggregating and facilitating loyalty points and redemption services, PUC is dedicated to forging

strategic alliances with brands and other e-wallet providers, as well as seeking further regional expansion into other countries beyond Singapore and Thailand to involve more cross-border shipping and billing.

This is largely because the digital economy is expected to grow twice as fast as GDP through 2030 for many SEA countries including Malaysia, boding well for PUC's well-established digital presence to tap into a larger consumer base going forward.



This approach involves presenting loyalty points redemption as an additional payment method to international consumers, with the aim of generating enhanced revenue in the long term through the collection of payment transaction fees incurred during transactions conducted within the Presto digital ecosystem. We anticipate that our expanding loyalty points service and delivery segment will play a pivotal role, ultimately evolving into one of PUC's primary revenue sources.

As the platform continues to grow, Presto is looking into aggregating SMEs to issue points for their services, further expanding the value offered to consumers. The ultimate goal is to address the daily life struggles and needs of general consumers from many backgrounds by providing products and services that are genuinely useful and recurring, thereby creating stickiness and encouraging frequent app usage.

The Omnichannel segment is also adapting to counter the decline in traditional media by incorporating digital media services to meet the changing demands of clients for online marketing and advertising. By integrating these services with the Presto platform alongside traditional offerings, PUC can not only increase media and advertising revenue with better margins, but also provide clients with effective ways to reach their target audience. Media and advertising business will thus continue being a revenue source for the Omnichannel segment.

With fast-increasing developments and use cases surrounding artificial intelligence (**"AI"**) becoming a worldwide trend, PUC is also keeping an eye on this potential technological leverage. These aspirations are in line Malaysia's need to bolster innovation and digital talent need to be strengthened, especially in AI, to support sustainable economic growth in the country.

PUC will always remain dedicated to continually refining its business processes and strategies, with a focus on identifying niche segments, such as loyalty points aggregation, e-vouchers and more. These initiatives are seen as pivotal in facilitating PUC's growth in the near future.

Over the past few years, PUC has successfully reformed its business strategy and output with the goal to transform itself into one of Malaysia's top tech companies, and it will therefore continue to expand and strengthen through our services and partnerships in multiple tech areas including media, marketing, finance and other relevant services. While PUC's media and advertising will always be mainstay of its business, PUC is aiming to strategically bring in services and partners that are proven to be successful and profitable.

We firmly believe that this strategic approach is not only sustainable but also highly scalable and replicable, poised to generate positive cash flow for PUC beyond and beyond. More insights into our global and domestic prospects are in the Management Discussion and Analysis.

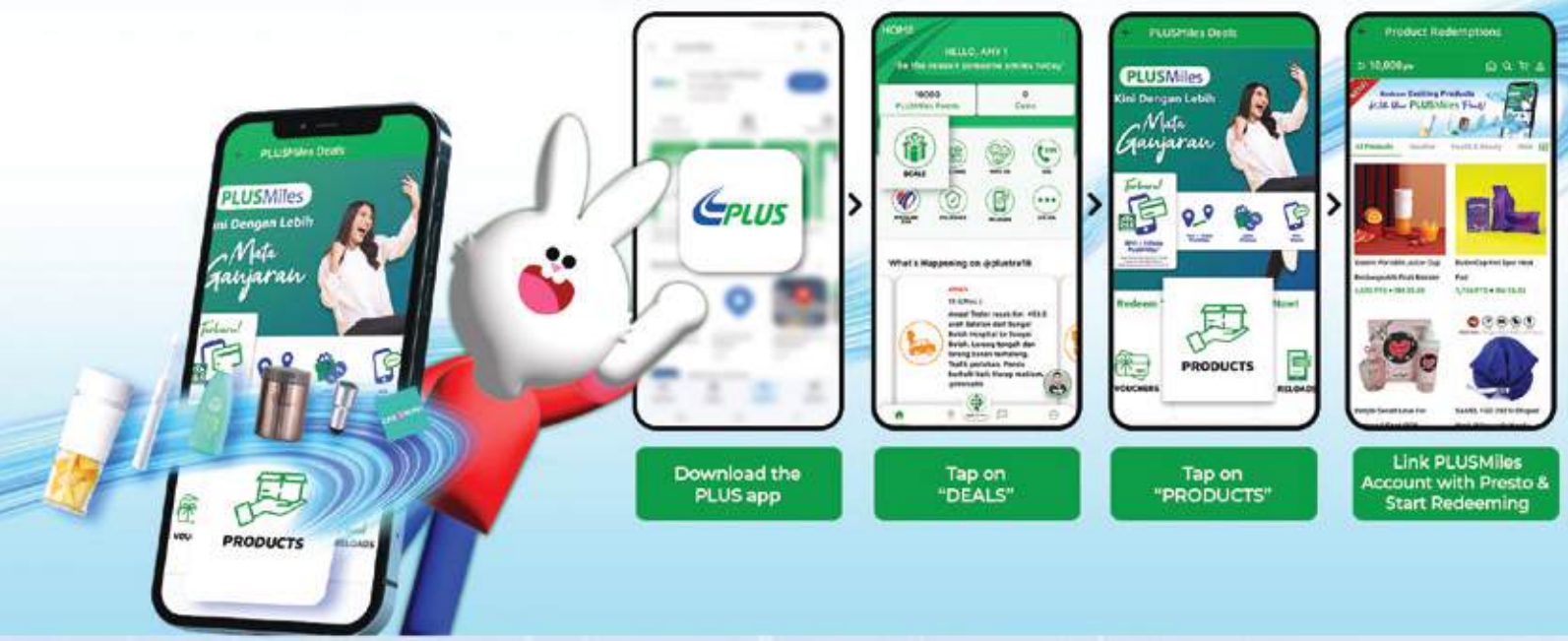
CHEONG CHIA CHOU
GROUP MANAGING DIRECTOR &
GROUP CHIEF EXECUTIVE OFFICER



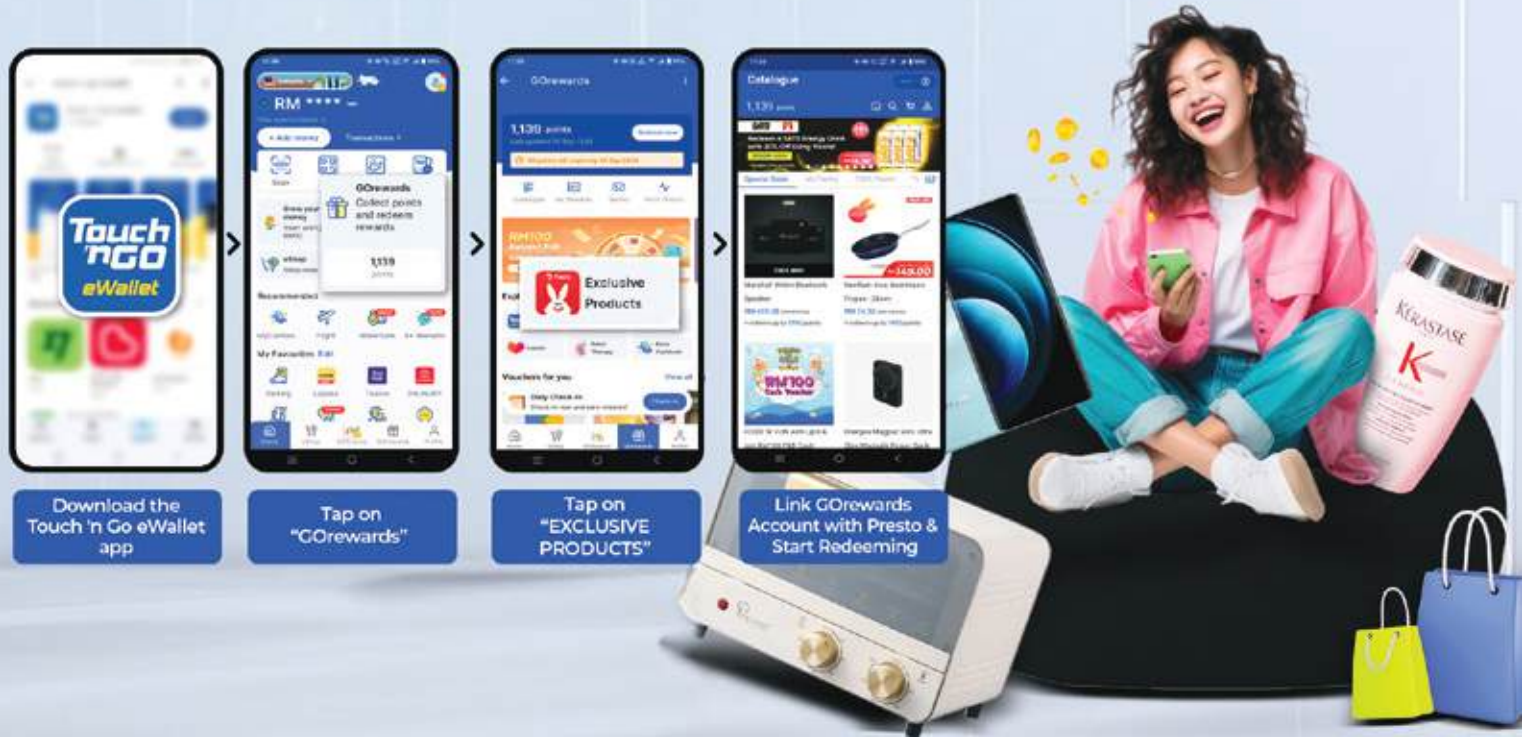
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Sustainability Statement

PUC Berhad ("PUC" or the "Group") is actively incorporating sustainability into its business operations, responding to the increased market volatility caused by events such as geopolitical conflicts, inflation woes, recession worries and rising commodity prices. Emphasising long-term feasibility, the global push for sustainability has led PUC to focus on developing transformational technology and digital services while ensuring responsible and sustainable business practices.

In addition to financial performance, PUC's core mission to "Enrich Lives Everyday" drives the Group to strike a balance between economic development and stakeholder interests while making a positive impact on communities and the environment.

To promote transparency, corporate social responsibility, and sustainability management, PUC has released its Sustainability Statement for the financial period ending 30 June 2024 (**"SS2024"**), which outlines the Group's sustainability initiatives and management approaches across governance, economics, environment, and social aspects, showcasing key achievements and highlights.

By actively engaging with stakeholders and seeking feedback, PUC aims to address and prioritise material Economic, Environmental, and Social (**"EES"**) concerns, which are essential for evolving the Group into a more holistic and sustainable business. As PUC enters its sixth year of integrated reporting, the commitment to enhancing its sustainability journey remains unwavering.

SCOPE & MATERIAL BOUNDARY

SS2024 remains scoped to the Group's business operations and activities as well as all major subsidiaries within the Group. Unless otherwise stated, outsourced activities as well as the operations of joint venture companies are excluded.

The Group is always aware of potential EES impacts from its extended value chain and continues to be committed towards cascading its sustainability commitments, policies, practices and culture to its external business partners, suppliers, vendors and contractors. We aim to report on our value chain partners' EES highlights in future sustainability statements once the appropriate protocols and policies are established and fortified.

PUC exercises 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.



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 Third Edition

REPORTING PERIOD

The reporting period for SS2024 is from 1 January 2023 to 30 June 2024, unless otherwise specified. SS2024 provides comparison statistical data for certain disclosures to establishing trend lines where necessary and to enable readers to better track and understand the comparative performance achieved.

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 period ended 30 June 2024 (**"FPE2024"**) is prepared in reference to GRI Standards.

REPORT QUALITY & DATA ASSURANCE

The SS2024 adheres to the GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness, ensuring the content's integrity and quality. All data presented in this report comes from internal sources and has undergone verification by the respective business units or information owners. We continuously strive to improve data quality and accuracy to enhance our disclosures in the future.

The content of SS2024 is shaped by stakeholders' perspectives, internal assessments of material topics and risk factors, and awareness of emerging trends and opportunities within PUC's operating environment. This approach allows us to present a comprehensive perspective on the Group's business performance and how sustainability remains a fundamental driver for PUC's value creation strategies. For a deeper understanding, we encourage readers to refer to this SS2024 together with PUC's Annual Report 2024 (**"AR2024"**).

STATEMENT OF ASSURANCE

PUC has undergone independent auditing and assurance for the relevant financial data presented in this report, as detailed in our Financial Statements. Non-financial data in the SS2024 has been internally assured, involving the Management and the respective data owners. PUC aims to seek external assurance for non-financial and sustainability data in the future.

LIMITATIONS

PUC acknowledges that certain indicators still present data-gathering challenges. To address this, we are continuously implementing more robust data tracking and collection mechanisms, with the goal of enhancing our reporting in the future.

In upcoming reports, we will assess the feasibility of including value chain related data. This will encompass data concerning impacts that extend beyond our organisation, which PUC may significantly contribute to, either directly or indirectly.

FORWARD-LOOKING STATEMENTS

In our SS2024, we include forward-looking statements that outline our plans, targets, prospects, and expectations, formulated based on anticipated performance outcomes.

However, it is important to note that these forward-looking statements are based on currently available data and information, as well as the prevailing conditions of our operating environment. As unforeseen circumstances beyond our control may arise, these statements are subject to change. Therefore, we advise readers not to overly rely on these forward-looking statements, as our business faces risks and uncertainties that may lead to actual results differing from projections.

REPORT AVAILABILITY

SS2024 can be downloaded from the PUC Group corporate website at https://www.puc.com/. Limited printed copies are available in order to minimise our paper consumption and reduce our 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

Sustainability Statement (cont'd)

FPE2024 HIGHLIGHTS AND ACHIEVEMENTS

6 United Nations Sustainable Development Goals adopted



GOVERNANCE

100%
of our employees are briefed and have accepted PUC's 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

156,749 kWh
total electricity consumption

RM86,527.50
total electricity bill

564.3 GJ
total energy consumption
(based on electricity consumption)

503.5 m³
total water consumption

ECONOMIC

RM27.05 million
in Revenue received

RM17.22 million
distributed in staff costs

RM1.29 million
distributed in EPF and SOCSO (and other staff contributions)

89.74%
of suppliers are deemed local

97.58%
of total procurement spending is for local procurement

Zero
data privacy breaches incidents recorded

SOCIAL

136
total workforce

40.44%
women in the workforce

53
total new employees hired

71.3%
of employees received annual or regular job appraisals

316 hours
total employee training hours across

RM12,000
Total amount spent on community investment programmes

UNSDGs

The United Nations Sustainable Development Goals (**"UNSDGs"**) are a set of 17 global goals designed to address pressing social, economic and environmental challenges and create a more sustainable future for all. The world's population, which had reached 8 billion as of November 2022, is projected to grow to 9.7 billion by 2050, intensifying complex global issues such as climate change, poverty, food shortages and mass urbanisation. Recent global events such as the COVID-19 pandemic, the geopolitical conflict in Europe and recession fears have further accelerated these challenges.

PUC is committed to playing its part in addressing these issues, and the Group's ongoing journey towards the UNSDGs remains a crucial aspect of its sustainability agenda, which began in FY2019.

In addition to continuing efforts to achieve its previously-adopted UNSDG goals identified in the previous financial years, PUC has adopted a sixth UNSDG, which is UNSDG 16: Peace, Justice and Strong Institutions, and this remains strongly aligned with our corporate and business values in understanding how our business model inherently contributes to value creation while also addressing pertinent global challenges.

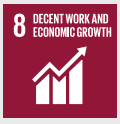
By embracing the UNSDGs, PUC sees itself as more than just a for-profit business entity; the Group aims to play a meaningful role in addressing critical issues, thereby contributing to a better future for individuals, families, communities and the country.

In addition to adopting these goals, PUC is committed to enhancing its implementation of the UNSDGs at the target-setting level to further align its sustainability strategy with global challenges and maximise positive impact. The Group is actively linking its sustainability efforts to its adopted UNSDGs, fostering a comprehensive approach towards addressing global issues and contributing to a sustainable world.

Following is a snapshot table illustrating how the Group had 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 remain to be an aspect on which PUC places emphasis. • We provide comprehensive health insurance coverage to our employees that includes medical, dental and vision care. Even in post-pandemic, certain COVID-19 preventative measures at work premises are still being implemented, for instance, the encouragement of wearing of facial masks, communal places are regularly sanitised by cleaners. • Other than that, we focus on our employees' health and improve harmonised workplace environment by organising sport activities such as badminton, bowling and company events for festivities celebration. • There are zero fatalities and/or accidents occurred within the work premises. • To ensure our employees' wellbeing, we encourage flexible work arrangements and we also offer our confirmed employees paid time off (vacation, sick leave, parental leave). • We do not coerce or hold staff against their wishes in employment by implementing Grievance Policy in the Employee Handbook. • We uphold the values of mutual respect through maintaining our workplace free from harassment and violence. Any form of harassment and violence will not be tolerated.	• To organise more health-related employee engagements that promotes physical health such as fitness challenges, adoption of nutritional diet and health screenings. • To initiate programs that educate our people on stress reduction, time management and creating a supportive work culture where employees feel comfortable discussing stressors. • To ensure occupational health and safety protocols are in place.

Sustainability Statement (cont'd)

UNSDGs	Results and Achievements	Future Targets/Initiatives Related to UNSDGs
	• We support fair practices at our workplace and provide equal opportunities in employment. • As an extra preventive measure to protect our female employees, a whistleblowing mechanism has been implemented to prevent any workplace harassment and bullying within our workplace environment. • We continually cultivate an inclusive workplace 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 merit is the metric we adopted to assess candidate for the relevant job opportunity. • 40.44% of PUC employees are women.	• To establish policies that prohibit discrimination and harassment. • To conduct training for our people to promote diversity and inclusion and foster a respectful workplace culture. • To continue fostering fair and equal labour practices. • To fortify ongoing safety measures for women in workplace.
	• Our employees are true assets and an essential part of business success. Our diverse workforce of over 136 people are the pillars that contribute to the Group's growth. • We recognise people as the driving force behind our business. Through empowering our people with continuous talent development, we help them to reach their full potential which ultimately leads to better performance. • Our talent empowerment programme emphasised on competency development to develop our employees with core skills and strengthen their leadership skills. • Our systematic training such as On Job Training (**"OJT"**) enables our employees possess their required functional skills and knowledge to contribute to the Group's growth. • The Group is also supportive for employees who wish to further pursue their education to upskill themselves through educational and skilled training. • Employees are given equal opportunities to perform tasks they are entrusted with. Whenever a particular role is vacated, existing employees with equal capability will be groomed to take over the role over time. We have done internal promotions in some departments within the Group. • In terms of economic growth, the Group has also partnered with government agency and industry peers to drive collective efforts towards achieving sustainable development goals related to decent work and economic growth.	• To continue providing opportunities for employee training and skills development to enhance productivity, adaptability and employability. • To embrace environmentally sustainable practices that minimise negative impacts on the environment and communities. This includes reducing waste, conserving resources and supporting eco-friendly initiatives. • To engage with and contribute positively to the communities where the company operates. • To continue maintaining high ethical standards in all business dealings and avoiding engaging in practices such as corruption, bribery, favouritism or exploitation that can harm employees or communities. • To foster strategic collaborations with suitable partners that align with our growing digital ecosystem of services.

UNSDGs	Results and Achievements	Future Targets/Initiatives Related to UNSDGs
	• PUC's venture into the digital business landscape since 2017 has bolstered the company's sustainability. • Our inherent business model involving technology and digital businesses has seen the Group constantly improving its ability to innovate and enhance the service offerings on its digital platform i.e. the Presto digital platform. • Leveraging on the current e-commerce marketplace in the Presto digital platform, the Group has also teamed up with other business partners and major industry players to develop loyalty programs which enable business partners to reward its customers with loyalty points and the customers may redeem such loyalty points while making purchases on the Presto digital platform. • Collaborate with partner in waste recycle business, enable its members to earn loyalty points by depositing recycle waste into digital reverse vending machines (**"KLEAN"**). • Participate in partner's blood donation campaign (**"RISE"**) by way of sponsorship. • Organise recycle-related initiatives in the company such as the "Recycle & Win" campaign in April 2024. • Shifting data room from on-premise to cloud helps to save energy. • PUC is continually building up its segment of aggregating and delivering loyalty points and redemption services that offer increased accessibility for customers' digital payments.	• To adopt sustainable practices in their industrial processes. This involves reducing resource use, minimising waste and pollution and adopting technologies. • To remain diligent in innovating on current digital products and services to better serve the needs of customers and business owners.
	• We support fair practices at our workplace and provide equal opportunities in employment. • We continue to endorse a positive and diverse work culture where all employees of different backgrounds and ideas are allowed to exhibit their full potential. • We are committed to minimising inequalities potentially arising from job, recruitment and ideation opportunities in PUC. Recruitment processes are carried out without bias and merit is the metric used in determining the best candidate for the job position. • Organising festive activities/engagements during different festive seasons.	• To continue fostering an inclusive workplace culture where all employees feel valued and respected. • To create opportunities for diverse voices to be heard and represented. • To continue implementing transparent promotion processes based on merit and ensure opportunities for advancement are accessible to everyone. • To implement zero-tolerance policies for discrimination, harassment and bullying. Provide avenues for employees to report grievances confidentiality and ensure prompt and fair resolution of complaints.

Sustainability Statement (cont'd)

UNSDGs	Results and Achievements	Future Targets/Initiatives Related to UNSDGs
	**Corporate Governance** • The Terms of Reference of Audit and Risk Management Committee (**"ARMC"**) was amended on 23 November 2023 to be line with the latest amendments made to the Bursa Malaysia Ace Market Listing Requirement and the Malaysian Code of Corporate Governance. • Ensuring transparent and timely disclosures to meet our listing requirements.	• Adoption of new policies to be in line with the Bursa Malaysia Ace Market Listing Requirements.
	Risk Management and Regulatory Compliance • Quarterly update of Enterprise Risk Management Report to the ARMC and the Board • Zero cases of misconduct reported through the Whistleblowing channel over the past three years.	• Compliance with all laws and regulations.
	Anti-Corruption • Maintain a zero-tolerance approach towards all forms of bribery, fraud, corruption and other unethical business practices. • Adherence to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (**"MACC Act"**) and the Malaysian Code on Corporate Governance 2021 • 100% of operations assessed for corruption related risks. • Zero confirmed incidents of corruption. • New Directors, employees and suppliers joining the Group are required to confirm their receipt and understanding of PUC's Anti-Bribery and Anti-Corruption Policy. • Organise internal anti-bribery and corruption training for the employees on 23 August 2023.	• Constant monitoring and scrutinisation of relevant activities.
	Customer Data Privacy and Security • Fully adhere to the Personal Data Protection Act 2010 (**"PDPA"**) in the management and protection of the personal data of our customer. • Suppliers and business partners are required to execute non-disclosure agreements to protect any personal data and/or sensitive information of any parties which may come into the possession of suppliers and/or business partners. • Zero substantiated complaints concerning breaches of customer privacy and losses of customer data. • Organise internal Data Management training for PUC employees on 6 November 2023.	• Compliance with PDPA. • Zero breach of customer data.

PUC remains committed in pursuing its adopted UNSDGs and will continue this effort while seeking improvements where necessary.



SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE

The Board of Directors, as the highest-ranking body of PUC, oversees the sustainability management of the Group and is ultimately responsible for its ESG performance. One of the key members of PUC's Sustainability Committee is our Group Managing Director and Group Chief Executive Officer, Mr Cheong Chia Chou.

Sustainability topics are often integrated into regular Board agendas, ensuring they receive adequate attention and discussion during board meetings. This includes updates on sustainability performance, emerging risks and opportunities and alignment with corporate strategy. The Board also oversees the identification and management of sustainability-related risks, such as reputational risks. These risks are integrated into the PUC's overall risk management framework, particularly by way of performing review on risk management on a regular basis. These reviews are performed to identify, assess and manage the risks faced by the Group.

Our Sustainability Committee (**"SC"**) is led by Mr Cheong Chia Chou and comprises of personnel from various departments (marketing, corporate, legal, human resources etc.). The SC undertakes the primary role of overseeing sustainability initiatives within the Group, ensuring alignment with corporate strategy and enhancing transparency and accountability. Apart from that, it also communicates the Group's sustainability initiatives to respective departments and business units for implementation purpose and monitor the Group's performance against sustainability goals and targets.

Assessing and managing sustainability-related risks is also another critical role of the SC.

To ensure effective governance, the Board and the SC adhere to the Malaysian Code on Corporate Governance (**"MCCG"**). They are aligned with the latest updates in the MCCG, which were introduced in 2021. The Board has actively incorporated these updates into PUC's Terms of Reference for all Board committees and the Board Charter, which were revised accordingly and adopted on the relevant effective date.

The Board also receive training and education by attending workshops and seminars on sustainability topics to enhance their understanding and ability to effectively oversee sustainability-related matters.

PUC's sustainability governance structure and responsibilities are depicted in the provided infographic and table. At the heart of the Group's sustainability reporting efforts lies a strong commitment to core values, diversity and inclusion. This commitment is reflected in the composition of the SC, which comprises a diverse group of individuals from various departments and backgrounds.



Sustainability Statement (cont'd)

Roles and Responsibilities



Board of Directors

Plays a fundamental role in overseeing, discussing and approving sustainability-related updates, as well as the creation of current and new sustainability policies, activities and initiatives. The Board also oversees the identification and management of sustainability-related risks, such as reputational risks.



Sustainability Committee

Responsible for overseeing all sustainability matters and plans across the organisation both domestically and regionally, as well as assessing and managing sustainability-related risks and organising employment engagement activities and CSR programmes.



Heads of Departments

Put the sustainability plan into action within their relevant business units and divisions.



Working Level/Business Partners

Carry out the sustainability plans and initiatives within their respective job roles.

As of 30 June 2024, the SC currently consists of members from the working level within the Group. However, sustainability matters discussed at the Board level will predominantly focus on the economic and social aspects of PUC's Environmental, Social, and Governance (**"ESG"**) approach.

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 at and is 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.

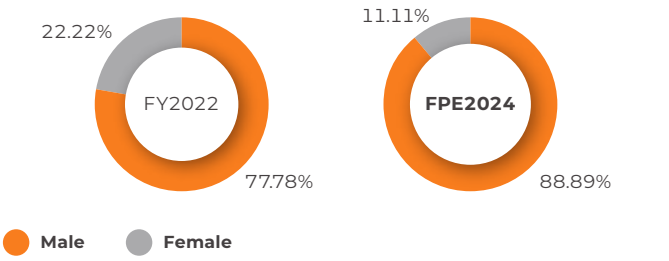
These reviews are regularly performed to identify, assess and manage the risks faced by the Group. Reviews are done holistically and systematically throughout PUC's operations so that they also address major risk areas of concern in the sustainability landscape, such as those from the areas of governance,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

More details are in our full Statement of Risk Management and Internal Control in AR2024.

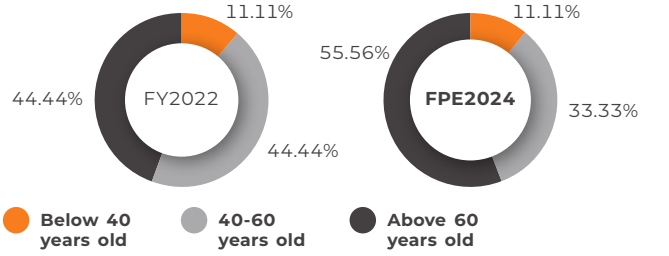
DIVERSE BOARD COMPOSITION

PUC is committed to fostering diverse leadership perspectives within the Board. Efforts are consistently made to ensure that the Board comprises individuals with diverse professional backgrounds, skills, and competencies. This diversity contributes to a comprehensive think tank and supports effective decision-making. For more information about our Board Charter and its composition, please visit our website at https://www.puc.com/. As of 30 June 2024, PUC's FPE2024 Board composition is provided below:

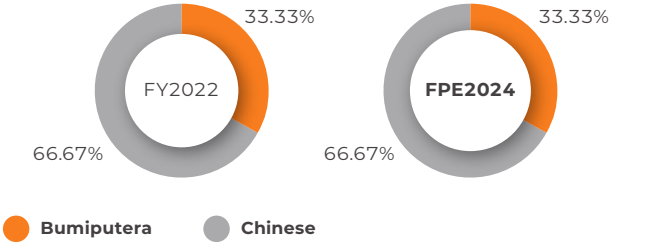
Board Gender Diversity



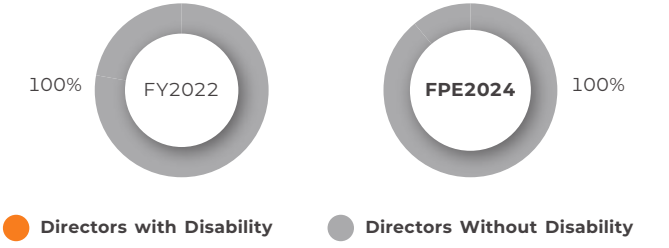
Board Age Group Diversity



Board Ethnicity Diversity



Board Disability Diversity



PROACTIVE APPROACH TO SUSTAINABILITY

PUC takes a thoughtful approach to sustainability by selecting initiatives that create both local and global impacts, aligning with the Group's business and delivering value to surrounding communities and the environment.

We remain committed to ensuring our sustainable business processes comply with internationally recognised standards, including the UNSDGs, GRI and other relevant frameworks. PUC continually evaluates the social and economic effects of its business strategies, focusing on its potential to benefit society and the Group's sustainability.

STRONG ANTI-CORRUPTION AND ANTI-BRIBERY

PUC upholds a zero-tolerance policy towards bribery, fraud, extortion, corruption and all forms of unethical conduct within the Group and its supply chain. This commitment is primarily supported by our Anti-Bribery and Corruption (**"ABAC"**) Policy which has been in effect since 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 is responsible for overseeing the Group's zero-tolerance stance on bribery, corruption and unethical behaviour, guiding the creation and enforcement of anti-bribery and anti-corruption policies and practices at the highest decision-making level. The ABAC Policy also specifies a reporting guide that requires any anti-corruption incidents to be reported to the Board.

Our ABAC Policy states that our Group is accountable for any involvement in corruption, bribery or similar activities. This accountability encompasses all individuals and groups within the Group, including directors, managers, employees, workers and third-party partners.

Sustainability Statement (cont'd)

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

As of FPE2024, anti-corruption trainings and briefings have been provided to 100% of Board members, 100% of key senior management personnel and 100% of employees at PUC. We also ensure that newly-hired staff are briefed on the ABAC Policy during the orientation session.

In FPE2024, an internal training session on anti-bribery and corruption and anti-money laundering was conducted in August 2023 for employees at all levels within the Group wherein the existing and new employees (during employment orientation) of PUC have been educated on corrupt practices, gifts and hospitality treatment, proper reporting procedures, case studies and examples to enhance understanding and application.

1 anti-bribery and anti-corruption training was held in FPE2024.

100% of Board members confirmed their receipt and understanding of PUC's ABAC Policy

100% of Management personnel confirmed their understanding of PUC's ABAC Policy

100% of employees have had been briefed and have accepted PUC's ABAC Policy.

Here is the percentage of employees that have received training on anti-bribery and corruption and anti-money laundering by employee category:

Employee Category	No. of Employees	No. of Employees That Received Training on Anti-Bribery and Corruption and Anti-Money Laundering	Percentage (%)
Senior Management	5	5	100%
Management	2	2	100%
Executive	62	45	72.6%
Non-executive	2	1	50%
TOTAL	**71**	**53**	**74.65%**

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

A copy of the COI Policy as well as related document i.e. Third-Party Due Diligence SOP are published on PUC's internal portal where all employees have access to it. The policies were audited by Governance Advisory. com Sdn Bhd in August 2020. No specific recommendations were introduced by the internal auditors with regards to the policies. Supply chain partners must also acknowledge the receipt and compliance of our ABAC Policy and other related policies and laws, which are attached to business contracts with them.

100% of the Group's operations have been assessed for possible corruption risks. There are no identified departments within our organisation that have a high risk of corruption.

In addition, we implemented monitoring and compliance mechanisms to ensure adherence to anti-corruption polices and regulations by reviewing regularly and conducting internal audit controls on all departments within the Group. An internal auditor engaged by the company also annually reviews our operations including anti-corruption matters. Zero confirmed incidents of corruption were recorded in FPE2024.

Year	FY2021	FY2022	FPE2024
Number of confirmed corruption incidents that occurred	0	0	0

APOLITICAL STANCE

PUC remains an apolitical organisation. Any significant contribution or sponsorship linked to political activities or matters will undergo a strict and transparent approval process, which includes obtaining the Board's approval. However, PUC may occasionally take part in CSR-driven charitable events that are government-organised or hosted by a public entity.

CODE OF ETHICS

There has been an increased emphasis on ethical standards and corporate integrity within PUC's governance frameworks. The Group is adopting stronger codes of conduct, whistleblower policies and ethical guidelines to ensure better accountability and transparency in its operations.

The Code of Conduct and Ethics (**"CCE"**) complements the ABAC Policy at PUC. The CCE promotes good business practices and ethical behaviour, fostering a healthy organisational culture. It outlines expectations for employees regarding business conduct, emphasising integrity, exercising sound judgment, avoiding conflicts of interest and refraining from any form of misappropriation. The Board periodically reviews the CCE to ensure its ongoing effectiveness. More details about the CCE can be found on our website under the "Governance & Sustainability" tab.

WHISTLEBLOWING MECHANISM

PUC upholds high standards of transparency and accountability in corporate governance, supported by its whistleblowing mechanism. All PUC employees are encouraged to report concerns, complaints, or suspected workplace malpractices, misbehaviours, or corruption in good faith.

Employees can submit whistleblowing reports to the Receiving Officer at whistleblow@puc.com. Reports can be made verbally or in writing, and the identity of the reporting employee will remain confidential to avoid harassment, demotion or victimisation. The Receiving Officer will forward all complaints to the PUC Group Chief Executive Officer. Reports alleging fraud and breaches of corporate governance will be escalated to the Audit and Risk Management Committee and the Chairman of the Board.

Investigations will be conducted thoroughly for reported cases, and appropriate actions will be taken against individuals responsible for wrongdoing, which may include verbal reprimands, supervisory interventions, suspension, termination, or legal proceedings. Details of the Whistleblowing Policy can be accessed on our website at https://www.puc.com/policies-procedures/.

Zero whistleblowing reports were received during FPE2024.

Sustainability Statement (cont'd)

NO GIFT POLICY

PUC adheres to a No Gift Policy, which prohibits the Group, its employees, directors and relevant personnel from receiving any form of entertainment, gifts or corporate hospitality from external business partners. The policy is communicated to employees through internal emails from the Human Resource (**"HR"**) department. The Group's internal portal contains all of the Group's policies for easy employee reference.

SUPPLY CHAIN GOVERNANCE

PUC places strong emphasis on maintaining good and fair governance and business practices throughout its supply chain. Therefore, apart from our efforts in promoting anti-corruption and bribery awareness within the Group, it has also been our practice to impose and implement the ABAC Policy against our business partners or third-party stakeholders. In legal contracts and agreements, our business partners have been required to comply with our ABAC Policy by inclusion of the necessary anti-bribery and corruption provisions.

The full ABAC Policy for External Parties can be accessed at https://www.puc.com/wp-content/uploads/2020/05/PUC-Anti-Bribery-and-Corruption-Policy-External-Parties-01.06.2020.pdf) for compliance purposes. Furthermore, relevant personnel and departments conduct thorough screenings of third-party business partners, vendors and suppliers to ensure their adherence to acceptable integrity standards.

PUC regularly updates its supplier list and conducts necessary due diligence on both new and existing suppliers. The Group also ensures that more than one quotation must be obtained (depending on circumstances and type of services required) before such business partner is formally engaged or appointed.

The Company also implement the COI Policy to identify and manage conflicts of interest among decision-makers and personnel involved in the decision-making process.

Our screening process ensures that PUC engages with external parties that uphold a standard of integrity in their business conduct. The Third-Party Due Diligence SOP serves as a guideline for due diligence on suppliers and vendors, especially new ones. Additionally, PUC ensures obtaining multiple quotations (based on circumstances and service requirements) before formally engaging or appointing a vendor or supplier.

A fair and mandatory performance evaluation system is in place for existing suppliers to assess their adherence to PUC's supply chain integrity standards. Suppliers not meeting the specified requirements may be subject to immediate termination of agreements and contracts as a result of non-compliance to obligations related to bribery, conflicts of interest, gifts and hospitality, reporting of unethical conduct as well as not meeting our evaluation criteria.

PUC also proactively identifies and assesses high-risk suppliers, if any, to maintain a stable and uncompromised supply chain. To date, zero suppliers have been identified as high-risk through third-party due diligence. In terms of supplier auditing, auditors would refer to the list of suppliers for the creditor's ageing review or by select specific 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 FPE2024, PUC was not censured or fined by regulatory authorities for non-compliance of environmental and social standards, nor has the Group faced any regulatory action on matters of corporate integrity, anti-corruption and corporate governance.

STAKEHOLDER ENGAGEMENT

The Group continuously enhances their engagement with stakeholders, including investors, customers, employees and communities. This includes regular dialogues, consultations and feedback mechanism to understand stakeholder expectations and integrate them into governance practices. The Group uses a variety of engagement channels, such as the newsroom, public announcements and annual general meetings, to disseminate critical information about changes in our business. All significant company announcements are publicly disclosed on Bursa Malaysia and our corporate website which provides the public and our stakeholders access to information about the company's financial results, reports, announcements, and other news, as well as the Group's ESG strategies, priorities, targets and performance disclosed in the sustainability statement as part of our annual report.

In FPE2024, PUC's Annual General Meetings (**"AGM"**) and Extraordinary General Meetings (**"EGM"**) were successfully conducted on a virtual basis. Shareholders were given the opportunity to ask questions related to transactions and other matters concerning the Group, with responses provided by the Board and management personnel. Summaries of the general meetings were made available on PUC's website.

Although the stakeholder engagement channels varied during FPE2024, the stakeholder engagement table remains unchanged from the previous reporting year due to the permanent nature of PUC's stakeholder priorities, all of which are equally prioritised.

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

Sustainability Statement (cont'd)

Stakeholders	Their Expectations	How We Engage	How We Respond
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

Notably in our stakeholder engagement efforts, Presto's Lunar New Year "Huat Long Long" celebration was a vibrant event that not only marked the Year of the Dragon with traditional festivities but also strengthened business relationships with key partners and vendors. With support from Astro and contributions from sponsors like CED, Da Long Yi, Soon Thye Hang and NEUCVR, the celebration featured a spectacular Lion Dance, a unique Ang Pow Wall and engaging activities, fostering camaraderie and goodwill among attendees. This event highlighted Presto's commitment to collaboration, mutual growth, and the shared success of its business partnerships.





ECONOMIC

PUC's consumers continue to experience significant benefits from our rapid adoption of digital technologies. This digitalisation provides customers with increased accessibility, convenience and improved productivity in their daily lives, thereby contributing to PUC's business and economic sustainability. Moreover, our business operations have a broader socio-economic impact, playing a role in accelerating the nation's social and economic development.

DIRECT ECONOMIC VALUE CREATED

Despite the challenges posed by the pandemic, geopolitical conflict and economic inflation, PUC has remained resilient, operationally viable and market-relevant. This is attributed to our increased focus on digitalisation throughout the reporting year. The following snapshot highlights the economic value generated from our business and financial value creation in FPE2024. More detailed financial information can be found in the Message from Group Managing Director and Group Chief Executive Officer as well as the Financial Statements in this report.

RM27.05 million in revenue

RM0.6 million in cash and cash equivalents

RM154.81 million in assets

RM128.21 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.

	FY2021 RM'000	FY2022 RM'000	FPE2024 RM'000
Economic Value Generated (Revenue)	23,270	19,245	27,048
Employee wages and benefits (Staff Cost)	10,601	9,368	9,839
Payment to government (i.e., tax)	122	29	63
CAPEX	23,531	29,643	35,411
EPF & SOCSO (and other contributions)	978	1,014	1,285

Note: *The financial results presented in the table are derived from PUC's audited financial statements and Management Discussion and Analysis, which are available for reference in our Annual Report 2024.*

Sustainability Statement (cont'd)

BUSINESS CONTINUITY

Ensuring business continuity is a critical aspect of PUC's business sustainability. The Group is mindful of maintaining a balanced approach to its various digital offerings and services, ensuring that expansion in one segment does not lead to the neglect of other existing products and services. PUC synergises all its services and products, primarily through the Presto mobile application, to sustain business continuity through cross-promotion, cross-selling, payment gateways and loyalty points redemption across different Presto services.

PUC recognises the importance of having a robust crisis plan that can adapt to various complex situations that may impact the Group's profitability, integrity and reputation significantly. The Crisis Management Manual outlines appropriate crisis responses for different scenarios, ranging from serious crises like workplace crimes or acts of violence to less critical situations such as technical issues with computer servers or office tidiness. External events beyond the Group's control, such as climate change, pandemics, natural disasters and geopolitical conflicts, are also considered in the crisis planning.

In line with the Crisis Management Manual, the Group's Enterprise Risk Management (**"ERM"**) framework guides its business continuity initiatives. The Crisis Management Manual has been updated to address concerns and liabilities arising from the COVID-19 pandemic, and PUC remains vigilant in modifying and updating its business continuity plans when necessary.

CUSTOMER PRIVACY

As a digital-reliant business entity with technology-based propositions, PUC places significant importance on data privacy for its customers, employees, and other related stakeholders. 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 FPE2024, we have received zero complaints concerning breaches of customer privacy and losses of customer data. Additionally, we had zero data breach incidents in the current reporting year.

LOCAL PROCUREMENT

We support local procurement and believe that it contributes to economic development by creating jobs, stimulating local businesses, fostering entrepreneurship within the community where we operate and creating an overall positive social impact. We believe that local procurement would take us one step closer in achieving the UNSDG 9: Industry, Innovation and Infrastructure.

Local procurement is more cost-effective as we no longer need to worry about tariffs, currency fluctuations and transportation costs. Furthermore, local procurement offers better control over product quality, delivery timelines and compliance with local regulatory requirements.

Also, we would like to reduce dependency on international suppliers in order to mitigate risks associated with geopolitical instability, trade disruptions and transportation issues.

	FY2021	FY2022	FPE2024
Overall Procurement Budget (RM)	43,908,304	35,299,937	74,077,055
Percentage of Spending on Local Procurement (%)	93.86%	97.30%	97.58%
Percentage of Suppliers Who Are Local (%)	83.81%	87.06%	89.74%



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 penalised or fined for any major environmental violation in FPE2024.

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.

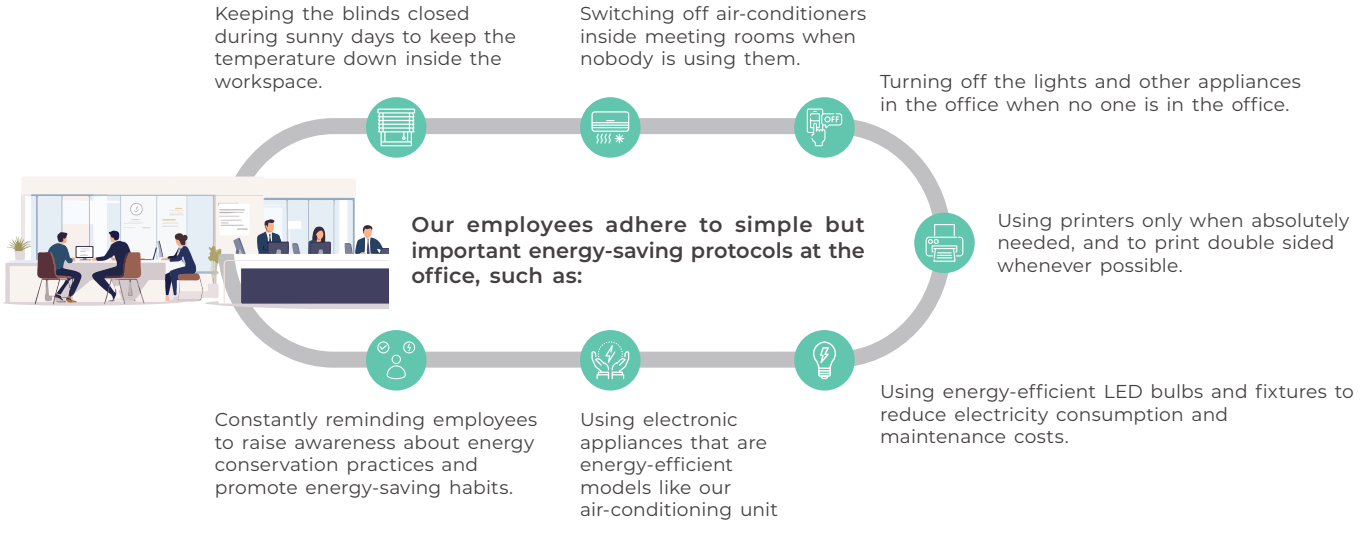
EMISSIONS

In doing its part to combat climate change, monitoring and managing emissions is important for PUC. Our carbon emissions are primarily derived from energy consumption originating from purchased electricity (Scope 2) due to its digital-heavy operations.

The Group's present emissions are within the permissible limits set by Malaysia's Department of Environment (**"DOE"**).

In the future, PUC hopes to track its emissions and display pertinent data on it to better showcase our present emissions levels and how our mitigation measures are affecting the gradual reduction of these emissions.

ENERGY CONSUMPTION



Sustainability Statement (cont'd)

Given that PUC is a digital-based company, laptops and computers are vital in 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 FPE2024 monthly electricity consumption:

Month	C-02-01		C-02-02	
	kWh	RM	kWh	RM
Jan-23	5,068	2,793.35	4,919	2,710.80
Feb-23	5,582	3,078.20	5,174	2,852.10
Mar-23	6,203	3,422.30	4,508	2,483.05
Apr-23	5,786	3,191.25	5,190	2,860.95
May-23	5,218	2,876.50	5,016	2,764.55
Jun-23	6,458	3,563.65	5,188	2,859.85
Jul-23	5,607	3,092.05	4,992	2,751.25
Aug-23	5,792	3,194.55	5,195	2,863.75
Sep-23	6,205	3,423.45	5,093	2,807.20
Oct-23	5,795	3,215.40	5,158	2,862.35
Nov-23	6,016	3,334.65	5,362	2,971.25
Dec-23	5,534	3,051.60	–	–
Jan-24	4,787	2,650.95	–	–
Feb-24	5,167	2,848.20	–	–
Mar-24	6,351	3,504.35	–	–
Apr-24	5,331	2,939.10	–	–
May-24	5,298	2,920.80	–	–
Jun-24	4,756	2,640.05	–	–
Total:	**100,954**	**55,740.40**	**55,795**	**30,787.10**

PUC's total electricity consumption is shown here:

Year	FY2021	FY2022	FPE2024
Total Electricity Consumption (kWh)	128,129 kWh	122,252 kWh	156,749 kWh
Total Electricity Bill (RM)	RM62,729.75	RM66,551.10	RM86,527.50

The Group's total energy consumption deriving from its electricity usage is as follows:

Year	FY2021	FY2022	FPE2024
Total Energy Consumption (GJ)	461.26	440.11	564.3

Overall, we always strive to streamline our operations and processes to improve energy efficiency.

WATER CONSUMPTION

Water consumption at PUC primarily occurs in its office spaces. As part of our commitment to recognising sustainability, we closely monitor and take steps to mitigate water consumption where possible. In FPE2024, total water consumption amounted to 503.5m^3.

Year	FY2022	FPE2024
Total Water Consumption (m^3)	260	503.5

To manage water consumption, we actively engage our employees in raising awareness about the importance of water conservation. They are highly encouraged and periodically reminded to turn off water-based appliances after use. We continuously explore new opportunities to save water and strengthen our water management system.

PUC will continue enhancing energy efficiency throughout its operations and processes, streamlining the Group's efforts to contribute to a more sustainable future.

CONSERVING AND RECYCLING RESOURCES

PUC is aligned with the Malaysian government's growing shift towards a cashless and cardless society through our products and services, particularly with our home-grown social marketing platform Presto. Given our fully digital business model, our operations do not generate 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 significantly reduced internal paper usage as most company documents including approval memos, HR's staff appraisal forms, reviewing of certain work documents and more are managed 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 use by new recruits of PUC. 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. PUC has initiated preliminary discussions regarding the potential expansion of our recycling initiatives as we explore additional types of waste products to recycle from our operations. A Group recycling policy is also under discussion to be crafted when it is feasible. As part of its recycling initiative, PUC has partnered with a waste recycle business (KLEAN), allowing its members to earn loyalty points by depositing recyclable waste into digital reverse vending machines. In the future, PUC may also participate in more waste recycling programmes with other entities.

	FY2021	FY2022	FPE2024
Total Waste Generated (Metric tonnes)	N/A	N/A	N/A
Waste Directed to Disposal (Metric tonnes)	N/A	N/A	N/A
Waste Diverted Away from Disposal (Metric tonnes)	N/A	N/A	N/A



SOCIAL

HUMAN RIGHTS AND LABOUR PRACTICES

PUC recognises the crucial role its employees play in maintaining continuous operational success. Thus, we consistently strive to nurture a high-quality work environment that enhances the effectiveness and productivity of our workforce.

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

- Malaysian Employment Act 1955;
- Minimum Wages Order 2016 law; and
- All other relevant Malaysian labour laws.

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 of 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 upholds a non-discrimination policy in all aspects of hiring, promotion, rewards, and career advancement. We are committed to providing equal opportunities to individuals regardless of age, gender, race, religion, sexual orientation, disability or nationality. Our dedicated recruiter focuses on finding the most suitable candidates for each position, following a merit-based approach that emphasises skills, capabilities, experience and job performance.

To ensure transparency and understanding, PUC effectively communicates its labour standards to employees through various means, including briefings, trainings, staff inductions, internal memos, staff meetings and our comprehensive employee handbook. This approach ensures that all employees are aware of their rights and responsibilities within the organisation.

There were zero substantiated complaints concerning human rights violations at PUC in FPE2024.

Sustainability Statement (cont'd)

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 it is necessary to ensure that it remains relevant and updated accordingly. The Employee Handbook was updated and is effective from 1 February 2023. Employees who fail to comply with any company policy, protocol and standard will face disciplinary proceedings, which may include verbal inquiries, official warnings, job suspension or contract termination.

WORKFORCE DIVERSITY AND INCLUSIVITY

PUC attributes its ongoing success to the strength of its diverse and inclusive workforce. As a result, the Group is continuously exploring innovative approaches to further enhance diversity and inclusivity across various relevant demographic aspects.

As part of our commitment to fostering an inclusive and equitable workplace, we have established clear and actionable targets to significantly enhance diversity across all levels of our organisation. These targets are central to our strategy of building a workforce that reflects the full spectrum of the communities we serve, which is essential for driving innovation, creativity and sustainable business success.

Our diversity goals focus on increasing representation across various dimensions, including gender and ethnicity, with a particular emphasis on leadership roles. We recognise that diverse leadership is critical for bringing a wide range of perspectives into decision-making processes, and it serves as a powerful reflection of our company values.

To achieve these goals, we are implementing a comprehensive set of initiatives, including inclusive recruitment practices, leadership development programmes and mentorship opportunities designed to support the advancement of diverse talent within our organisation.

In ensuring that our progress is measurable and transparent, setting and pursuing these ambitious goals help us to meet and exceed ethical and regulatory standards, further embedding diversity and inclusion as core components of our company culture and business practices.

As PUC deeply values and embraces the growing diversity within its workforce, the company also often organises various engagement activities to promote equal opportunity and diversity in the workforce. These initiatives are designed to create an inclusive environment where all employees can thrive, regardless of their background, and have equal access to opportunities as well as contribute to the organisation's success.

1. **Seminars and Competency Trainings:** Educational programs are conducted to enhance awareness of diversity, promoting an inclusive workplace. These include seminars and training sessions on diversity-related topics and issues impacting various communities.
2. **Flexible Work Arrangements:** Flexible working hours, remote work options, and leave policies are offered to accommodate employees with varying needs and responsibilities, supporting work-life balance.
3. **Celebration of Diversity and Inclusive Holidays:** The company celebrates diverse cultures and holidays, such as Chinese New Year, Deepavali and Hari Raya Puasa. These events foster understanding and respect for different cultural backgrounds, further improving team collaboration.
4. **Regular Survey and Feedback Opportunities:** Employee surveys are conducted regularly to assess the success of diversity initiatives and gather feedback for ongoing improvement.

Sustainability Statement (cont'd)

The following charts display our workforce breakdown through numerous demographics:

Employee Category	Number of Employee	By Gender		By Age			
	Total	Female	Male	21-30	31-40	41-50	51-60
Senior Management	8	5	3	0	4	4	0
Management	5	2	3	0	2	2	1
Executive	120	74	46	56	49	14	1
Non-executive	3	0	3	0	2	1	0
Total	**136**	**81**	**55**	**56**	**57**	**21**	**2**

Employee Category	Percentage That Are Female (%)	Percentage That Are Male (%)
Senior Management	62.5%	37.5%
Management	40%	60%
Executive	61.67%	38.33%
Non-executive	0%	100%

Employee Category	Percentage That Are 21-30 Years Old (%)	Percentage That Are 31-40 Years Old (%)	Percentage That Are 41-50 Years Old (%)	Percentage That Are 51-60 Years Old (%)
Senior Management	0%	50%	50%	0%
Management	0%	40%	40%	20%
Executive	46.67%	40.83%	11.67%	0.83%
Non-executive	0%	66.67%	33.33%	0%

Employee Category	Number of Employees	Percentage
Permanent Employee	136	91.89%
Contractors	12	8.11%
Total	148	100%

TALENT TRAINING AND DEVELOPMENT

Recognising the pivotal role our team plays in ensuring the sustainability and success of the Group, we place significant emphasis on nurturing a highly-skilled and talented workforce. Talent development stands at the forefront of our priorities.

PUC's talent development approach focuses on empowering employees to take initiative in their work. This fosters personal growth and continuous learning within the organisation, motivating them to invest deeply in the overall success of the business. Additionally, we encourage employees to share their ideas for process improvements and strive for advancement within the Group.

This approach allows us to save time and resources that would otherwise be allocated on organising unnecessary training courses. Furthermore, it naturally boosts employee morale and strengthens their loyalty to the Group, as they seamlessly integrate into the organisational culture and responsibilities at PUC.

In addition to fostering initiative, we equip our employees with essential job knowledge and skillsets through various training avenues, including seminars, workshops and talks. These training sessions include refresher courses and on-the-job training, which we conduct both at our headquarters and via online platforms and video calls. We have maintained consistent communication channels for training and development from the previous year and upheld our training budget without any reductions. This commitment ensures that our workforce stays updated and well-prepared to meet the evolving demands of their roles.

Our list of training sessions attended by 69 PUC employees during FPE2024 included:

- IPA Digital Performance Certificate
- Business English Communication Skills
- Certified Information Security Manager
- 18th BFM Brandfest 2023
- SSM National Conference 2023
- ABC + AMLA Training (In House)
- Data Management Training (In House)
- What`s Next 2023 : Marketing In Malaysia
- Malaysia HR Tech Conference & Expo 2024
- OSH Coordinator Course
- Content360 Malaysia 2024
- Cyber Security on Newly Act Bill 2024: The Importance, Adherence and Impacts with Newly Act Introduced to Public
- Essential Occupational First Aid, CPR & AED Training

Here are the key highlights of PUC's employee training and development in FPE2024:

	FPE2024 Total Training Hours (by Employee Category)
Senior Management	42.1 hours
Management	0.1 hours
Executive	273.8 hours
Non-executive	0 hours
Total	**316 hours**

	FPE2024
Average number of training hours per employee	4.6 hours
Average training budget spent on each employee	RM410

RECRUITMENT AND RETENTION

In our recruitment process, we prioritise existing employees before seeking external candidates from the job market. Our approach to hiring and candidate screening focuses on evaluating skills, competencies, cultural fit, as well as the passion and commitment of individuals to take on the job role.

In FPE2024, our total employee count was 136 employees, with 53 new employees hired.

Employee Category	Number of Employee	Employment Status	
		Active	Non-Active
Senior Management	8	7	1
Management	5	2	3
Executive	120	67	53
Non-executive	3	2	1
Total	136	78	58

Recent organisational restructuring had also affected attrition rates, as we adjust to accommodating our new way of working and operating through new office cultures that emerged during the pandemic.

Sustainability Statement (cont'd)

EMPLOYEE WELL-BEING AND REMUNERATION

PUC offers industry-competitive remuneration packages and employee benefits to attract and retain top talents in the industry. Our commitment to compliance with the government's minimum wage structure ensures that our employees' fundamental human rights are respected. In addition to appropriately scaled wages, we provide various employee benefits for our permanent employees which include, but are not limited to, the following:

Benefits for our permanent employees

Annual leave	Medical leave	Maternity and Paternity leave	Hospitalisation leave	Compassionate leave	Medical, Dental and Optical claims
Hospitalisation Insurance Coverage	New born gifts and Get Well gifts	Examination leave	Marriage leave	Long service awards	EPF contributions in line standard market rates (12%-13%), and more

In FPE2024, multiple employee engagement sessions and activities like sports events were conducted to foster a stronger sense of team cohesiveness. Human Resources (**"HR"**) continued to communicate with employees to gather feedback on how the pandemic's aftereffects continue to the affect their work, as well as other arrangements and relevant work updates. These initiatives aim to ensure open communication and address employees' needs and concerns effectively.



Approved applications for parental leave

Type of Parental Leave	FY2021	FY2022	FPE2024
Paternity	2	3	1
Maternity	1	1	2

Return-to-work rates post parental leave

Post Paternity and Maternity Leave	FY2021		FY2022		FPE2024	
	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 FPE2024, 71.3% of PUC's employees received annual or regular job appraisals. Employees are appraised based on their achievement of individual key performance indicators (**"KPIs"**) and other notable performances during the year.

This is following the requirement that all PUC employees now have to set individual goals, objectives and KPIs that align with the broader organisational objectives, targets and key results. This initiative is part of a new appraisal system that has been introduced to enhance both company performance and individual self-growth. The system employs a top-down approach where reporting managers identify and cascade relevant company key results areas (**"KRAs"**) down to their teams. This ensures that an employee's efforts are directly linked to PUC's strategic goals.

In addition to the top-down approach, the new system encourages a bottom-up methodology, where employees are empowered to proactively suggest additional tasks, projects or initiatives they wish to lead or contribute to. This allows employees to take ownership of their roles and actively participate in shaping their career paths while aligning with the company's vision. The new appraisal system is designed to create a more dynamic and responsive work environment, where employee contributions are recognised and aligned with PUC's overarching goals, ultimately driving both personal and organisational success.

EMPLOYEE FEEDBACK SURVEY

PUC's HR team conducted the 2023 Presto Employee Engagement Survey in September 2023, with feedback from 70 respondents. The survey's results revealed that employees overall believed that Presto has a positive and supportive work environment. Survey sentiments reflected that PUC's employees appreciated strong leadership from both the Senior Management Team and their direct supervisors, who are praised for their clarity, decisiveness and support. This leadership is seen as key to creating a motivating and empowering atmosphere that fosters employee morale and productivity. Presto's commitment to excellence, innovation and employee development is reflected in its branding and the company's practices, which emphasise skill development, personal growth and staying current with technological advancements.

Moreover, Presto is shown to have maintained a well-managed and transparent work environment where employees feel safe and supported. Clear communication of company policies, strong collaboration between departments and recognition of employees' efforts contribute to high satisfaction and operational efficiency. Employees see good career prospects at Presto, supported by continuous learning opportunities and guidance from supervisors. The company's dedication to organising tasks effectively and supporting employees' autonomy and well-being further promotes a positive and productive workplace.

SUCCESSION PLANNING

PUC acknowledges that its success and sustainability in a rapidly growing industry heavily relies on the skills, dedication and experience of both its employees and leadership. Therefore, succession planning is a fundamental aspect of the Group's organisational structure, aimed at encouraging the growth of valued employees into leadership roles throughout their employment journey with the Group.

To facilitate this upward progression, we offer high-quality training programmes and on-the-job initiatives to selected candidates in the succession planning pipeline. These programmes are regularly updated to align with the Group's needs and priorities.

Furthermore, PUC prioritises recruiting local talent for management positions whenever possible, reflecting our commitment to supporting and nurturing the local talent pool. However, in exceptional cases, we may consider candidates based solely on their relevant skillsets and experience to ensure the best leadership fit for the organisation.

OCCUPATIONAL SAFETY AND HEALTH

PUC is committed to ensuring the safety and well-being of all individuals involved in its business operations, including employees, business partners, suppliers, vendors and other relevant stakeholders. A strong occupational safety and health (**"OSH"**) performance is vital as any OSH incidents could lead to operational disruptions and additional costs.

Sustainability Statement (cont'd)

The Group adheres strictly to the Occupational Safety & Health Act (**"OSHA"**) 1994, with the Senior Management overseeing OSH matters at the Board level. OSH data are collected in line with industry benchmarks.

Key highlights of PUC's OSH performance in FPE2024 are shown here:

0 work-related fatalities	**0** lost-time incident rate
84 total OSH training hours	**RM4,208.76** total OSH training spend
3 employees trained on health and safety standards	

Several initiatives have been developed to reinforce compliance with OSHA and the Group's health and safety policy, aimed at reducing workplace injuries and raising awareness of safety and health risks. These initiatives include OSH-related trainings conducted in FPE2024 including:

- Occupational Safety & Health Coordinator
- Essential Occupational First Aid, CPR & AED Training

The Group remains dedicated to improving health and safety procedures consistently, as well as reviewing relevant policies when needed to mitigate potential OSH issues.

CORPORATE SOCIAL RESPONSIBILITY

Throughout FPE2024, PUC remained dedicated to its role as a responsible corporate citizen, extending help to communities in need, particularly in the face of increasing socioeconomic challenges. To pave the way for a sustainable future for both our business and society, we actively supported local communities through significant Corporate Social Responsibility (**"CSR"**) initiatives, facilitated by volunteerism and charitable contributions.

Encouraging our Group employees to actively participate in CSR programmes has not only benefitted the communities but also had a positive impact on employee morale and inner satisfaction. Knowing they have made a meaningful difference in society, our employees demonstrate improved behaviours, attitudes, and productivity in their roles at PUC. To appreciate the efforts of our volunteering employees, we ensure proper recognition and internal acknowledgment.

RM12,000 total amount invested in CSR programmes (where target beneficiaries external to PUC)
24 total number of beneficiaries of community investment initiatives

Our CSR initiatives extend to encompass our customers and the broader community who use our products and services. We value their feedback and opinions on our Presto e-commerce platform, PrestoMall, and encourage them to share their thoughts. Complaints and feedback can be conveniently channelled through the Presto mobile application or social media platforms, which we take seriously and direct to the respective business leaders and management for appropriate action.

Furthermore, we prioritise transparency and accountability by providing additional communication channels, including PUC's Whistleblowing Policy on our website and a dedicated email address for anyone wishing to lodge a complaint. This open dialogue with the community helps us improve and refine our operations to better serve their needs and expectations.

FPE2024 CSR ENGAGEMENT

Presto and OldTown White Coffee, the country's leading halal-certified kopitiam chain, hosted a Victory Celebration to honour the Team Malaysia Youth All Girl's (**"TMYAG"**) historic gold medal win at the ICU International Cheerleading Cup 2024. Held at OldTown White Coffee's Jaya One outlet, the event also acknowledged TMYAG's earlier bronze medal achievement at the ICU Junior World Cheerleading Championships 2024 in Orlando, Florida. The celebration brought together various local brands and community members, highlighting the importance of community and corporate collaboration in supporting young athletes.

As part of our commitment to nurturing youth talent and supporting community initiatives, we sponsored RM500 Presto Carrot loyalty credit points to 24 Cheerleading Team Malaysia participants, valued at RM12,000, to fuel TMYAG's dreams of international competition. This sponsorship not only provided financial support but also symbolised our belief in the power of sports to inspire and unite communities.

The event emphasised the significance of nurturing local talent, with contributions from Presto's brand partners like Neucvr, SAYS Energy Drink and ButterCup. The celebration served as both a reward for the athletes' dedication and a platform to inspire future champions by showcasing the power of community support. TMYAG's journey from winning Malaysia's first-ever cheerleading bronze medal to achieving gold is a testament to their perseverance and the vital role of family and community backing in their success.



Sustainability Statement (cont'd)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executives	Percentage	72.60
Non-Executives	Percentage	50.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	12,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	24
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management 30 and Under	Percentage	0.00
Senior Management Between 31-50	Percentage	100.00
Senior Management 51 and above	Percentage	0.00
Management 30 and Under	Percentage	0.00
Management Between 31-50	Percentage	80.00
Management 51 and above	Percentage	20.00
Executives 30 and Under	Percentage	46.67
Executives Between 31-50	Percentage	52.50
Executives 51 and above	Percentage	0.83
Non-Executives 30 and Under	Percentage	0.00
Non-Executives Between 31-50	Percentage	100.00
Non-Executives 51 and above	Percentage	0.00
Gender Group by Employee Category		
Senior Management Male	Percentage	37.50
Senior Management Female	Percentage	62.50
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executives Male	Percentage	38.33
Executives Female	Percentage	61.67
Non-Executives Male	Percentage	100.00
Non-Executives Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	88.89
Female	Percentage	11.11
Under 30	Percentage	0.00
Between 30-50	Percentage	44.44
Above 50	Percentage	55.56
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	156.75
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	3

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	42
Management	Hours	0
Executives	Hours	273
Non-Executives	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.11
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Management	Number	3
Executives	Number	53
Non-Executives	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	97.58
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.503500

Internal assurance | External assurance | No assurance | (*)Restated

Board of Directors Profile

DATUK OH CHONG PENG
("DATUK OH")

Independent Non-Executive Chairman

AGE **80**	**Malaysian**	**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 106 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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CHEONG CHIA CHOU

("MR. CHEONG")

Group Managing Director and Group Chief Executive Officer

AGE **49**	**Singaporean**	**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

MEMBERSHIP OF BOARD COMMITTEES

None

SECURITIES HOLDINGS IN THE COMPANY

Mr. Cheong's securities holdings is disclosed at page 106 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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Board of Directors Profile (cont'd)

LIEW PENG CHUEN @ LIEW AH CHOY

("MR. LIEW")

Independent Non-Executive Director

AGE **76**	**Malaysian**	**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 fifty (50) 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:
  – None

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 106 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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RAJA ZAFURA BINTI RAJA ZAIN

("RAJA ZAFURA")

Independent Non-Executive Director

AGE **61**	**Malaysian**	**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, lending strategic insight and marketing acumen to PUC Board.

She started off with the publication arm of Pertubuhan Akitek Malaysia, then managing key accounts at Bates Malaysia, an international advertising agency. She joined MDK Consultants, a PR agency overseeing clients' public relations activities subsequently serving as Customer Experience head of Malayan Banking Berhad's Consumer Banking Division, overseeing marketing communications initiatives for consumer banking, corporate banking, and the Islamic Banking Division. She had a stint with Khazanah's Themed Attraction Resorts and Hotel, helping to lay the marketing and communications groundwork for notable projects.

Raja Zafura was also a key member of the Iclif Leadership and Governance Centre's leadership team, overseeing programme operations and marketing communications, before joining the EPF to oversee the Corporate Affairs department and subsequently initiating the Customer Experience & Marketing section of the Operations Division prior to her retirement in 2023.

DIRECTORSHIP OF OTHER PUBLIC COMPANIES

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

MEMBERSHIP OF BOARD COMMITTEES

- Member of Nomination Committee
- Member of Remuneration Committee

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

8/8

Board of Directors Profile (cont'd)

HAFEZ MOHD HASHIM BIN RAZMAN MD HASHIM

("ENCIK HAFEZ")

Independent Non-Executive Director

AGE **44**	**Malaysian**	**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. Form 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 PERIOD ENDED 30 JUNE 2024

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FONG YEW MENG

("MR. FONG")

Independent Non-Executive Director

AGE **70**	**Malaysian**	**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 payments 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 106 and 108 of this Annual Report.

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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Board of Directors Profile (cont'd)

NG SAY BENG
("MR. NG")

Non-Independent Non-Executive Director

AGE **58**	**Malaysian**	**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.

He is currently the Chief Financial Officer of GENP.

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 PERIOD ENDED 30 JUNE 2024

8/8

DATO SRI' ADNAN BIN WAN MAMAT

("DATO SRI' ADNAN")

Non-Independent Non-Executive Director

AGE **64**	**Malaysian**	**Male**	Date of Appointment: **14 November 2022**

QUALIFICATION

- Bachelor of Business Administration, University of Kyoto

MEMBERSHIP OF ASSOCIATIONS

None

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 2013, he has been appointed as Chairman for 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 to 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 for 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)
  - GIIB Holdings Berhad
- Public Companies:
  - None

MEMBERSHIP OF BOARD COMMITTEES

- None

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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Board of Directors Profile (cont'd)

OOI KAH HOE
("MR. OOI")

Independent Non-Executive Director

AGE **37**	**Malaysian**	**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 14 years of experience in the accounting and finance field. He started his career as an Audit Junior in one of the Big Four Audit Firm 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 a company engaging in the business of property development and investment holding. 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

- Member of Audit and Risk Management Committee

ATTENDANCE AT BOARD MEETING DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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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 have any conflict of interest or potential conflict of interest with PUC Group, including interest in any competing business
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 period ended 30 June 2024

Key Senior Management Profile

CHEONG CHIA CHOU
("MR. CHEONG")

Group Chief Executive Officer

AGE **49**	**Singaporean**	**Male**

Date of Appointment: **14 April 2016**

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

CHOR ZHENYI
("ZHENYI")

Financial Controller

AGE **42**	**Malaysian**	**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 30 SEPTEMBER 2024

Direct Interest – 4,000 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 period ended 30 June 2024.

Management Discussion & Analysis

OVERVIEW

This Management Discussion and Analysis examines PUC's operations, activities and financial results in the financial year ending 30 June 2024, while also outlines the upcoming strategies for growth. Despite facing an uncertain operational landscape and economic difficulties during the reporting period, the Group persevered, finding innovative ways to manage its business.

REVIEW OF FINANCIAL PERFORMANCE

In FPE2024, PUC recorded a loss after tax (**"LAT"**) of RM65.65 million (FY2022: RM53.56 million), which can be attributed to ongoing cost optimisation efforts, focusing on streamlining businesses to be operated from leaner structure.

Omnichannel: The Group's Omnichannel segment remained a significant revenue contributor, bringing in a revenue of RM8.76 million in FPE2024 (FY2022: RM12.15 million). This year-on-year decrease in revenue was resulted from the Group's increasing pivot towards its Presto-related business.

Presto: This segment contributed RM18.21 million in revenue in FPE2024 (FY2022: RM7.10 million), and this improvement is mainly contributed by higher software project sales to external clients, who have demand for the software solutions by PUC. The ongoing integration of Presto's various ecosystem components continues to strengthen PUC's continued positive outlook on anticipating the Presto segment bringing substantial positive impact to both our revenue and profits. We will continue to allocate resources and focus on technological advancements strategically, aiming to enhance the offerings and services of the Presto App. This approach is driven by the evident high demand in the current market landscape.

Additionally, our associated company Pictureworks Holdings Sdn Bhd (**"PWHQ"**) contributed to a LAT of RM1.78 million in FPE2024 (FY2022: RM3.64 million), as the Group leveraged economy fully opening and being back to normal after the reopening phases began in FY2022. Presto Mall Sdn Bhd (**"PMMMY"**) contributed to a LAT of RM1.61 million in FPE2024 (FY2022: RM0.39 million). As PMMMY shifted its business focus towards emphasising the financial sustainability of the Presto digital ecosystem in the long term, it made a gradual shift away from business-to-business trading operations. Despite facing a temporary decrease in revenue during FPE2024, PUC was prepared to endure this in order to support the strategic direction.

PUC is dedicated to establishing cohesive links among its business segments, aiming to maximise its performance outcomes in response to the growing dependence on digital platforms for various products and services in the market.

As our existing and upcoming business partnerships start to align with the Presto digital ecosystem, we maintain a positive outlook regarding the significant contribution of the Presto segment to our revenue and profits. This is especially anticipated as these partnerships become fully integrated.

CORPORATE DEVELOPMENT

On 21 September 2023, an associate of PUC, PWHQ underwent an internal restructuring which involved share swapping of all the then existing shareholders of PWHQ for new shares in Pictureworks International Holding Limited (**"PIHL"**) (**"Share Swap**"). Following said Share Swap, PUC holds approximately 27.53% shareholding in PIHL, and PWHQ becomes an indirect wholly owned subsidiary of PIHL.

On 17 October 2023, PUC completed a private placement exercise which involved the issuance of 546,412,000 new ordinary shares, representing approximately 30% of the then total number of issued shares of PUC and raised a total of RM16.39 million.

On May 2024, PUC has subsequently undertaken another round of private placement exercise which involved the proposed issuance of 246,778,000 new ordinary shares, representing up to 10% of the then total number of issued shares of PUC, to independent third-party investor(s). Said private placement exercise has not been completed.

In addition to the above, the Group has undertaken some internal corporate restructuring exercises which include, among other things, the following:-

(a) The transfer of 100% equity interest in Presto Technology Sdn Bhd, Presto Pay Sdn Bhd and Presto Singapore Pte Ltd (formerly known as Enovax Pte Ltd) from PUC to PUC's direct wholly owned subsidiary, Presto Universe Sdn Bhd (**"PUSB"**);

(b) The disposal of 100% equity interest in Presto Capital Sdn Bhd (formerly known as Presto Travel Sdn Bhd) by PUSB to Colorverse Malaysia Sdn Bhd (formerly known as Presto Color Sdn Bhd);

(c) The disposal of 30% equity interest in Leef Trading Sdn Bhd (formerly known as Presto Trade Sdn Bhd) (**"LTSB"**) by Presto Q-Commerce Sdn Bhd to Atmosphere Entertainment Sdn Bhd;

(d) The disposal of 20% equity interest in Presto Retail Sdn Bhd by Presto Mall Sdn Bhd to LTSB;

(e) The disposal of 10% equity interest in Presto e-Office Sdn Bhd by PUSB to KH Lim Capital Sdn Bhd.

The restructuring efforts mentioned above were undertaken with the goal of enhancing the Group's revenue stream and reallocating resources to business entities that align with the Group's objectives.

In conjunction with the above restructuring efforts, PUC has also changed its financial year end from 31 December 2023 to 30 June 2024. The current reporting financial year will be from 1 January 2023 to 30 June 2024, covering a period of 18 months.

On June 2024, PUC entered into a heads of agreement with Eatcosys Sdn Bhd and Tham Lih Chung for the proposed acquisitions by PUC of 100% equity interest in Alevate Capital Sdn Bhd (formerly known as PNC Loan Sdn Bhd) and Alevate Solutions Sdn Bhd for an indicative total purchase consideration of RM200 million to be satisfied partly via cash and via issuance of new ordinary shares in PUC (**"Proposed Acquisitions"**).

BUSINESS REVIEW

The pandemic permanently ushered in a stronger digital shift among consumer preferences especially in e-commerce, deliveries and online payment transactions. This transformation has facilitated the emergence of a resilient stay-at-home economy that remained robust even as society has returned to pre-pandemic norms. These transitions towards digitalisation highlighted the critical significance of the rapidly-growing digital market, and how a comprehensive digital ecosystem can effectively address market demands.

The Presto digital ecosystem was developed to capitalise on this potential by enhancing e-commerce and fintech services that adapt to evolving market trends. This is especially relevant for PUC as it seeks to establish itself as a leading force in aggregating and delivering loyalty and redemption programmes. PUC is actively expanding its capabilities, partnerships and platform to achieve this objective. Loyalty points will serve as an important digital payment method within the Presto ecosystem, allowing members the option to combine loyalty points with other digital payment methods when making payments if their loyalty points are insufficient.

The use of loyalty points goes beyond product redemption. In the Presto App, users are not only exposed to a wide variety of products and services for redemption, users are also allowed to earn loyalty points concurrently while making payment and/or performing transaction within the Presto App.

PUC's strong background in platform development positions it to enter and excel in a specialised sector, adding significant value to both the Group and Presto's users. The aggregation and redemption of loyalty points also yield valuable data on redemption patterns, which enhances insights for both partners and Presto, leading to improved customer engagement and more targeted marketing efforts.

Moreover, PUC believes that the Proposed Acquisitions will expand PUC's capabilities by officially adding a Fintech vertical that will complement the existing Marketing Technology, Entertainment Technology and Retail Technology verticals. These verticals will be formalised upon the completion of our restructuring process. This would further drive synergies between the three divisions to maximise enhancements to PUC's service offerings and operational efficiency. We also expect that the Proposed Acquisitions will drive profit and revenue growth through the contributions of the newly acquired entities.

Management Discussion & Analysis (cont'd)

As PUC sought further expansion opportunities for its Presto platform during FPE2024, the reporting year also saw PTCMY enter into a memorandum of understanding with Web Bytes Sdn Bhd (**"WBSB"**). Following this agreement, PMMMY and WBSB entered into a collaboration for the provision and distribution of e-Vouchers on the Presto platform for sale to the Presto users.

The collaboration is aimed at benefiting both the Presto users and the Group's vendors. By integrating e-Vouchers from WBSB's vendors into the Presto platform, the variety of services and products available to Presto users will significantly increase. This expansion of offerings is expected to enhance the attractiveness of the Presto Platform, making it more appealing to existing and potential Presto users. This wider variety of options can enhance the user experience and provide more value to Presto users.

Our Omnichannel segment and media and advertising business, primarily driven by Redhot Media Sdn Bhd (**"RMSB"**), remains a stalwart of PUC's overall business. RMSB continues to work closely with Presto to leverage monetisation opportunities through smart advertising plans.

More information 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 acknowledges the risks inherent in its operations within the ASEAN region and actively monitors and addresses them through effective mitigation strategies.

Global Inflation

PUC remains attentive to the prevailing global inflation that affects economies universally. Inflation has amplified costs for retail goods and services while eroding purchasing power due to fluctuating currencies, potentially leading to elevated borrowing costs. PUC is closely monitoring the inflation landscape and is prepared to take essential measures, including cost reductions and product portfolio reassessment, to safeguard business continuity and performance.

Geopolitical Conflict

The European geopolitical conflict has had tremendous effects on the economic and financial conditions of the global economy. The ripple effects of the conflict combined with extensive sanctions applied by global superpowers like U.S., Europe and other western countries have severely disrupted worldwide supply chains, commodity prices and rising risk premiums across global markets.

As with global inflation risks, PUC is keeping close attention to the risks of this geopolitical conflict, given resulting supply chain disruptions affect PUC's service delivery and business outlook for regional expansion. PUC is ready to face any changing market conditions to remain competitive in the digital services space.

Product Costs

PUC anticipates fluctuations in third-party product inventory costs. To address this, strategic measures have been taken, including negotiating contractual price agreements with suppliers and fostering collaborative relationships.

Increased Competition

While competition presents challenges, PUC embraces it as a driving force to uphold and enhance product standards surpassing rivals. By consistently refining the Presto digital ecosystem to reach a broader audience and adopting modern advertising techniques through Omnichannel, PUC strives to maintain a competitive edge.

Attracting and cultivating industry talent is paramount, and PUC not only seeks top talent but also offers training and initiatives to enhance efficiency, productivity and innovation. Additionally, continuous enhancement of products and services is a priority to align with evolving market demands.

FORWARD LOOKING STATEMENT

FPE2024 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 anticipated economic growth rate of 4% to 5% in 2024 overall, according to Malaysia's Ministry of Finance. This is also supported by the International Monetary Fund's projection of Malaysia's economic growth to rise from 3.7% in 2023 to 4.4% in 2024 and 2025. Among other factors, this GDP growth is expected to come from further containment of the pandemic, steady domestic demand and a vibrant services sector.

This is due to the services sector being forecast to increase by 5.6% in 2024 driven by expansion in all subsectors. In addition, vibrant tourism-related activities as well as continuous consumer spending are expected to further spur the growth of the sector. The wholesale and retail trade subsector will remain as the key

contributor to the services sector with the expected growth of 5.6%. The growth will be driven by the expansion in retail segment through wider automation, e-commerce and omnichannel shopping experience, which enable seamless physical and online interactions.

The finance and insurance subsector is projected to rebound by 4.3%, driven by resilient economic and investment activities and greater clarity in economic policy and direction, following the implementation of NETR, NIMP 2030 and Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan).

This digital-focused direction, combined with the rapid acceleration of macro digital trends, is notably advantageous for PUC's business ventures, particularly Presto, as it ushers in additional opportunities that further validate the viability of PUC's expansion strategies.

The growth potential of Presto's digital ecosystem therefore remains promising. Given the projected gradual compound growth rate of 25.18% in the global financial technology market from 2022 to 2027, the substantial investments directed towards advancing the Presto digital ecosystem align with PUC's strategic approach for ensuring sustainable long-term success. More insights into the strategic market outlook for PUC's operational landscape, can be gleaned from the Strategy Review section of this Annual Report.

The Group will also continue intensifying its endeavours to support underserved communities which we have begun with our partnership with Alevate Capital and their funding solutions to potentially underserved segments such as SMEs.

Primarily, however, PUC's digital development thrust will revolve around significantly expanding its ongoing venture into the aggregation and delivery of loyalty points and redemption services, by fostering its sustainability via additional loyalty points services and associated partners in order to incentivise and expand the Presto customer base.

Internal restructuring might potentially continue, with more optimisation of labour and strategic disposals if warranted. This aligns with PUC's goals to achieve more profitability in 2025 by reaching a more sustainable growth trajectory. We will continue to always balance internal financial health and business generation with potential M&As. PUC also remains focused on internal structural initiatives to strategically align various PUC teams toward digitalisation prospects. These include the commercial team and the backend team that ultimately contribute towards operational efficiency, retaining memberships and optimising partnership infrastructures that bolster Presto's ecosystem.

With our Singapore foothold firmly established and growing, PUC hopes to further expand into the Thailand and Vietnam markets, with some potential collaborative partners already in PUC's purview to approach. These regional expansion would also present an opportunity for PUC to promote its various segments and partners, such as Alevate's expertise and solutions, to new markets.

OmniChannel's media and advertising will continue to be a significant facet working in tandem with our Presto digital media ecosystem. The Omnichannel segment's ongoing transition into providing more digital media and advertising packages to potential companies from both local and international brands will also continue in order to reach a wider audience via the Presto digital ecosystem.

For more detailed insights into our digital-related future plans, please refer to the Group Managing Director and Group Chief Executive Officer's message in the Annual Report.

PUC continues to be positive about the ongoing growth in digital and related businesses in the upcoming financial years, PUC will proactively seize these opportunities. However, we also acknowledge the need for financial prudence in the short term, given the unpredictability of global economic conditions. In FY2025, the Group envisions capitalising on further opportunities while funding expansion plans through internally-generated funds and / or equity fundraising.

Barring unforeseen events, PUC's extensive experience and expertise in digital services position us to regain and sustain profitability. This success will be driven by our strong digital offerings, strategic partnerships, market foresight and resilient leadership that guide us toward a promising future.

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, the Management has not declared dividend for FPE2024. The 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

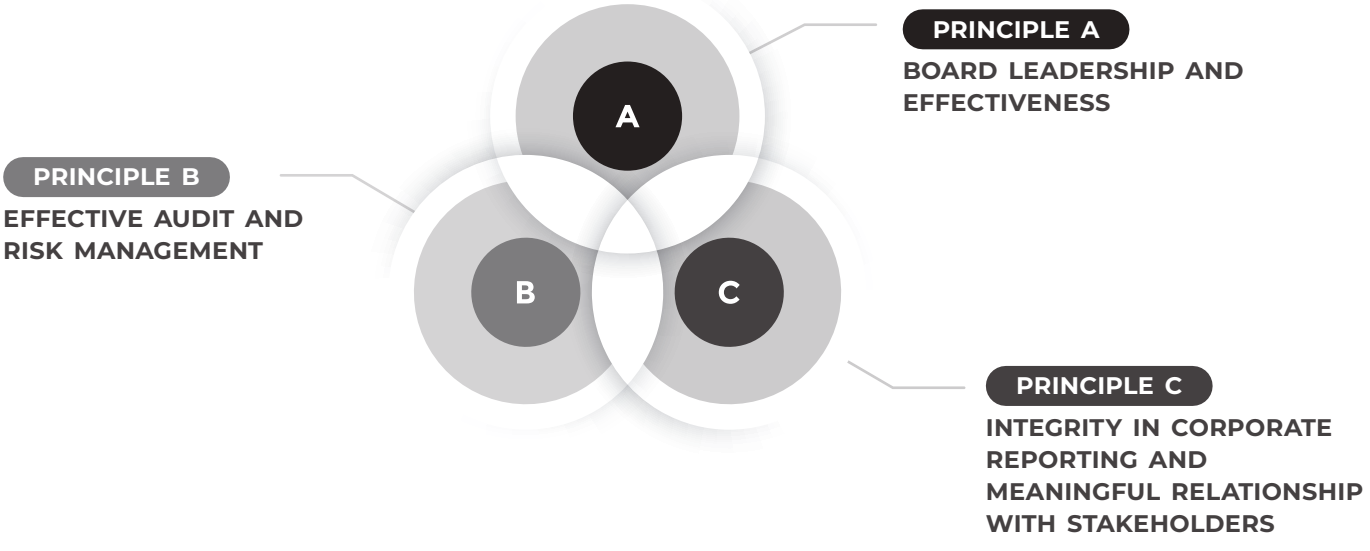
The Board of Directors ("**Board**") of PUC Berhad ("**PUC**" or the "**Company**") recognises the importance of maintaining high standards of corporate governance practices within PUC and its subsidiaries (the "**Group**") and is committed to upholding good corporate governance practices in conducting the business and affairs of the Group to safeguard and enhance long-term shareholders' value whilst taking into account the interests of other stakeholders and for the growth and long term sustainability of the Group.

This Corporate Governance ("**CG**") Overview Statement sets out the principal features of PUC Group corporate governance approach, summary of corporate governance practices during the financial period 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 period ended 30 June 2024 ("**FPE2024**") which is available on Bursa Malaysia Securities Berhad ("**Bursa Securities**") website at www.bursamalaysia.com and the Company's website at www.puc.com.

The Company had on 26 December 2023 announced via Bursa LINK its change of financial year end from 31 December to 30 June. The current financial period under review is from 1 January 2023 to 30 June 2024.

This CG Overview Statement aims to provide an overview of the corporate governance practices of the Company during the FPE2024 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:-



PRINCIPLE A PRINCIPLE B PRINCIPLE C

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is the ultimate decision-making body of the Group and plays a fundamental role in leading and overseeing the overall directions, vision, performance and affairs of the Group on behalf of the shareholders with the exception of matters which require the approval of shareholders. The Directors, individually or collectively have a legal duty to act in the best interest of the Company fairly, honestly and diligently and in accordance with the duties and obligations set out in the Board Charter and the laws and regulations. The Board also serves as a panel to providing effective leadership and guidance for setting the strategic direction and assessing the adequacy and integrity of the internal control and risk management systems of the Group. The Board delegates the implementation and monitoring of these set directions and control systems to the Management. The Board also delegates the authority for conducting the business to the Group Managing Director and Group Chief Executive Officer ("**GMD**"), Mr. Cheong Chia Chou, together with the Management team are accountable to the Board.

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 systems within the Group.

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 a vital 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 ("**HODs**") 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 remain separate and are 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 any of the Board Committees of the Company.

The Chairman plays an important leadership role and is primarily responsible for:-

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

The GMD's roles and responsibilities are to:

- assume overall responsibility for leading the Group's performance and management;
- oversee the Management and HODs;
- develop, recommend and implement organisational strategy, targets, business plans and policies;

Corporate Governance Overview Statement (cont'd)

- 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 by acting as the official spokesperson of the Group;
- work towards the mission, vision and core values; and
- advocate anti-money laundering from top to down.

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 roles and responsibilities are to:

- review, challenge and adopt the overall strategic and business plans, goals and directions of the Group taking into account the sustainability of the Group's business given the attention to the economic, environmental, social and governance aspects;
- oversee and evaluate the conduct and performance of the business and the 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, the Board Committees and the 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 Group'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 Directors are also responsible for disclosing and declaring to the Board any potential or actual conflict of interest they may have in relation to any transaction or proposed contract with the Company or any of its related entities. In conflict of interest arises, the Directors will abstain from discussions, voting, and any other decision-making processes related to these transactions.

There is a clear delineation of roles between the Board and the 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 function.

The Independent Non-Executive Directors' roles and responsibilities are to:

- provide independent judgement, experience and objectivity 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 whistle blowers 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 contribution 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 and delegates certain responsibilities to the following Board Committees which consist of Independent Non-Executive Directors to provide independent oversights 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 specific matters outlined in their respective Terms of Reference ("**ToR**") as approved by the Board, and in facilitating the Board in discharging its duties and responsibilities. Each of the Board Committees' ToR sets out the scope and specific authorities for reviewing matters and reporting 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 qualified and competent 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 Section 235(2) of 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 are also responsible for assisting 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 ensuring orderly meeting proceedings and in accurately recording the deliberations and decisions made at the Board and Board Committees' meetings in the minutes. 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 the Company Secretaries in discharging their duties.

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 the 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 its compliance.

The Board had 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 at the earliest opportunity 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 victimization, harassment, retribution or retaliation.

Corporate Governance Overview Statement (cont'd)

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 ARMC and the Chairman of the Board.

Anti-Bribery and Corruption Policy

The Group is committed to conduct its business and operations premised on the concept 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 NC 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 34 to 63 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 64 to 72 of this Annual Report.

The present composition of the Board is in compliance with Rule 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 and at least one (1) woman Director. 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 period under review as below:

Name	Attendance
Datuk Oh Chong Peng	8/8
Cheong Chia Chou	8/8
Liew Peng Chuen @ Liew Ah Choy	8/8
Raja Zafura Binti Raja Zain	8/8
Hafez Mohd Hashim Bin Razman Md Hashim	7/8
Fong Yew Meng	8/8
Ng Say Beng	8/8
Dato' Sri Adnan Bin Wan Mamat	7/8
Ooi Kah Hoe *(appointed on 19 January 2023)*	8/8
Leong Yien Hung *(appointed on 1 November 2023 and resigned on 29 January 2024)*	2/2

Training and Professional Development of Directors

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

The Directors continuously attend necessary training programmes, conferences, seminars and/or forums from time to time to widen their knowledge and keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements in order to effectively discharge their duties. For newly appointed Directors, essential information of the Group is being presented to assist the new Directors in gaining a better understanding of the business and affairs of the Group.

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

Corporate Governance Overview Statement (cont'd)

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 briefing during the year on any significant developments in legal, governance and compliance areas to be observed by the Company and Directors thereupon.

During the FPE2024, the seminars and conferences attended by the Directors were as follows:

Directors	Seminars / Conferences / Forums
Datuk Oh Chong Peng	• Mandatory Accreditation Programme Part II on 4 & 5 March 2024 • Malaysia Anti-Corruption Commission Act 2009 • Corporate Liability under MACC Act 2009 • Adequate Procedures • ISO 37001: Setting up an Anti-Bribery Management System
Cheong Chia Chou	• Launch of Malaysia's Metaverse & MRDX (Thomas Kok) Travel Vlog on 3 February 2023 • Corporate Strategy Conference 2023 on 7 March 2023 • One Piece Event on 23 March 2023 • Rise Excellent Accords 2023 (Vogue Style) on 7 April 2023 • Print Innovation 2023 on 4 May 2023 • ASEAN Fundraising Symposium on 25 May 2023 • IAAPA Asia on 13 June 2023 • The China Shenzhen HK ASEAN KL Emerging Industries Partnering Conference on 21 September 2023 • China Plus One: Insider Tips for Reliable Alternatives in Asia on 31 August 2023 • LGT Private Banking Event on 7 November 2023 • FutureX Online Event on 20 December 2023
Liew Peng Chuen @ Liew Ah Choy	• Assessment of Board, Board Committees and Individual Directors organised by MICG on 19 April 2023
Ng Say Beng	• National Tax Conference 2023 on 1 & 2 August 2023 • The 2023 Budget Seminar by Deloitte Tax Services Sdn Bhd organised by Genting Berhad • Metaverse Immersion Session for Genting Group by Deloitte organised by Genting Berhad • 40th Management Conference of GENP on 'Workplace Engagement in the Digital Era Unleashing the Power of Human Connections" • The 2024 Budget Seminar by Deloitte Tax Services Sdn Bhd organised by Genting Berhad • MFRS Updates & Refreshers FY2023 by PwC Malaysia organised by GENP
Dato' Sri Adnan Bin Wan Mamat	• A Comprehensive Introduction For Companies organised by Vaersa Training Sdn Bhd on 25 July 2024
Ooi Kah Hoe *(Appointed on 19 January 2023)*	• The accountants role in putting profit, people and planet on par organised by ACCA • Fraud risk – who is in charge organised by ACCA • Navigating ethics in the work space organised by ACCA • Preparing for sustainability reporting organised by ACCA; • Realising the future of finance with generative AI organised by ACCA • R&D – harvesting the value of disclosures organised by ACCA

As disclosed above, Raja Zafura Binti Raja Zain, Hafez Mohd Hashim Bin Razman Md Hashim and Mr. Fong Yew Meng were not able to attend any training programmes and/or seminars during the financial period under reviewed, due to busy work schedule. However, they have kept themselves abreast on financial and other business aspect through readings and meetings to enable them to effectively 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 the 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.

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

Corporate Governance Overview Statement (cont'd)

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	Member, Independent Non-Executive Director

Attendance of NC Meetings

During the FPE2024, 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	1/1

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 was 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

In maintaining the independence of Independent Directors and the effectiveness of the Board, 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 the overall results were reviewed by the NC at the NC meeting and subsequently be presented to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the NC are properly documented.

During the FPE2024, the NC had carried out the following activities:

- source for the suitable candidate via the Directors and the 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 assessment 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 of the Company's Constitution:

i) Cheong Chia Chou
ii) Raja Zafura Binti Raja Zain
iii) Fong Yew Meng

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.

The NC 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.

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

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 Cheun @ 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.

Corporate Governance Overview Statement (cont'd)

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 FPE2024, a total of three (3) 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	3/3
Raja Zafura Binti Raja Zain	3/3

In recommending the remuneration of the Directors and the Management 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 the Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The remuneration of the 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 the 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 AGM in accordance with Section 230(1) of the CA 2016.

The Board is committed to a competitive and transparent remuneration framework that is in line with Rule 9.25 Appendix 9C(12) of the AMLR. The Directors' Remuneration received and receivable from the Company and its subsidiaries for the FPE2024 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	81,000.00	–	–	–	9,000.00	90,000.00
Liew Peng Chuen @ Liew Ah Choy	54,000.00	–	–	–	23,000.00	77,000.00
Raja Zafura Binti Raja Zain	54,000.00	–	–	–	10,000.00	64,000.00
Hafez Mohd Hashim Bin Razman Md Hashim	54,000.00	–	–	–	8,000.00	62,000.00
Fong Yew Meng	54,000.00	–	–	–	22,000.00	76,000.00
Ng Say Beng	54,000.00	–	–	–	9,000.00	63,000.00
Dato' Sri Adnan Bin Wan Mamat	54,000.00	–	–	–	8,000.00	62,000.00
Ooi Kah Hoe *(Appointed on 19 January 2023)*	52,258.06	–	–	–	10,000.00	62,258.06
Leong Yien Hung *(appointed on 1 November 2023 and resigned on 29 January 2024)*	8,806.45	–	–	–	2,000.00	10,806.45
Executive Director						
Cheong Chia Chou	–	594,000.00	–	–	4,197,500.00	4,791,500.00
Subsidiaries						
Non-Executive Directors						
Datuk Oh Chong Peng	45,500.00	–	–	–		45,500.00
Liew Peng Chuen @ Liew Ah Choy	3,000.00	–	–	–		3,000.00
Raja Zafura Binti Raja Zain	–	–	–	–		
Hafez Mohd Hashim Bin Razman Md Hashim	–	–	–	–		
Fong Yew Meng	–	–	–	–		
Ng Say Beng	–	–	–	–		
Dato' Sri Adnan Bin Wan Mamat	–	–	–	–		
Ooi Kah Hoe *(Appointed on 19 January 2023)*	–	–	–	–		
Leong Yien Hung *(appointed on 1 November 2023 and resigned on 29 January 2024)*	–	–	–	–		
Executive Director						
Cheong Chia Chou	–	–	–	–	–	–
Total	**514,564.51**	**594,000.00**	**–**	**–**	**4,298,500.00**	**5,407,064.51**

Notes:

* *Benefits-in-kind has the meaning as given by the Malaysian Inland Revenue Board for the FPE2024.*

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

Corporate Governance Overview Statement (cont'd)

b) The remuneration of top five (5) 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 5 Key Senior Management. However, the Board was of the opinion that disclosing the remuneration of Key Senior Management on a named basis was inappropriate due to concerns about the sensitivity of remuneration package, privacy, security and the potential risk 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
RM350,000-RM400,000	1
RM600,000-RM650,000	1

PRINCIPLE A | **PRINCIPLE B** | PRINCIPLE C

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 follow:

Name	Designation and Directorship
Fong Yew Meng	Chairman, Independent Non-Executive Director
Liew Peng Chuen @ Liew Ah Choy	Member, Independent Non-Executive Director
Ooi Kah Hoe *(Appointed on 19 September 2023)*	Member, Independent Non-Executive Director
Raja Zafura Binti Raja Zain *(Resigned on 19 September 2023)*	Member, Independent Non-Executive Director

The Chairman of the 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 supported by the ARMC in overseeing the Group's and Company's financial reporting process and ensuring the quality of financial reporting. The ARMC ensures that the financial statements comply with the requirements of the CA 2016 as well as 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 FPE2024.

Read more on ARMC Report detailing its composition and a summary of activities during the financial period on pages 95 to 98 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 the 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 the Management to exchange views on issues requiring attention.

The Board has delegated to the ARMC the responsibility of performing an annual assessment of the quality of the audit which encompasses the performance and calibre of the External Auditors, as well as their independence, objectivity and professionalism. The assessment process involves identifying the areas to be evaluated and devising tools to obtain the relevant data. Upon completion of the assessment, the ARMC will make recommendation to the Board regarding the re-appointment of the External Auditors. 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 95 to 98 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 ToR 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.

Corporate Governance Overview Statement (cont'd)

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-generating 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 of 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 risk management and internal controls system, providing reasonable assurance that these 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 in establishing its strategic and annual Internal Audit Planning Memorandum that 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 99 to 102 of this Annual Report.

PRINCIPLE A PRINCIPLE B **PRINCIPLE C**

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication between Company and Stakeholders

PUC continues to engage with stakeholders' and address their needs and expectations, considering their viewpoints and providing new perspectives to generate a positive impact on the Company. The Company's key stakeholder group have been identified based on 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 – Press Release – Financial Statements	– Dividends – Sustainable Returns – Long–term Growth and Stability – Board and Governance Sustainability	– Sustainable Returns – Promote Transparent Practices – Long-term Growth and Sustainability
Employees	– Induction Training – Townhall Sessions – Dialogue and Engagement – Intranet Portal – Annual Dinner – Recreation and Sports Club events – Learning and development programmes	– 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 – Changes or introduction of new regulations	– 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 serves as the principal platform and forum for dialogue with both private and institutional shareholders, aiming to provide 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. Shareholders are encouraged to participate in the proceedings, engage in the question-and-answer session and 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.

Notices of general meetings and related documents 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 26 June 2023 were voted by way of remote participating via electronic poll 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 period and of the financial performance and cash flows of the Group for the financial period then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the FPE2024, 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 enable 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 25 October 2024.

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 comprises of three (3) Independent Non-Executive Directors and there is no alternate director appointed as member of the ARMC. The Company complies with Rule 15.09(1) and 15.09(2) of the Ace Market Listing Requirements (**"AMLR"**) of Bursa Malaysia Securities Berhad. The Chairman of the ARMC is not the Chairman of the Board.

The members of the ARMC as of the 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
Ooi Kah Hoe *(appointed on 19 September 2023)*	Member	Independent Non-Executive Director
Raja Zafura Binti Raja Zain *(resigned on 19 September 2023)*	Member	Independent Non-Executive Director

The Chairman of the 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 the 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 of the ARMC were reviewed and updated on 23 November 2023 to reflect the latest requirements and is available on the Company's website at www.puc.com. The Board through the Nomination Committee conducts an annual assessment on the performance of the ARMC, to assess the effectiveness of the ARMC in carrying out its duties as outlined in its ToR, Malaysian Code on Corporate Governance and AMLR. The Board is satisfied that the ARMC has discharged its functions, powers, duties and responsibilities in accordance with its ToR and the relevant laws and regulations.

Audit & Risk Management Committee Report (cont'd)

MEETING ATTENDANCE

During the financial period under review, a total of eight (8) meetings of the ARMC were held. The attendance of the members of the ARMC is as follows:

Name	Attendance
Fong Yew Meng	8/8
Liew Peng Chuen @ Liew Ah Choy	8/8
Ooi Kah Hoe *(appointed on 19 September 2023)*	4/4
Raja Zafura Binti Raja Zain *(resigned on 19 September 2023)*	4/4

The Group Managing Director and Group Chief Executive Officer, Senior Management, Finance Controller, the external auditors 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 period ended 30 June 2024 (**"FPE2024"**) 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 condition 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 FPE2024 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 period.

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.

Terms of Reference

Reviewed the revised the ToR of the ARMC and recommended to the Board for approval.

Audit & Risk Management Committee Report (cont'd)

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 period.

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 in establishing its strategic and annual Internal Audit Planning Memorandum that 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 FPE2024, the IAF performed the following audits and reviews:

- Merchandising Review for Presto Mall Sdn Bhd; and
- Loyalty Point Management Review for Presto Pay Sdn Bhd.

The Company has two (2) internal audit reports for FPE2024. The Internal Auditors reports to the ARMC directly.

The total costs incurred for the IAF of the Group for FPE2024 was approximately RM30,000.

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 includes 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 covers not only financial aspect 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 continues 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 to overseas markets. The Group had 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 risks profile. The ARMC is assisted by the Key Senior Management to continue monitor 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 needs arise. 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, allow 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 of 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 with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The ARMC reviews internal control matters and update 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 exceptional 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 maintains 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 the internal control and relevant laws and regulations;

(d) The Board has formalised and adopted the Code of Conduct & Ethics Policy which serve as a primary guidance on the ethical and behavioural conduct of the Group. The Code of Conduct and Ethics Policy sets out the principles on 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 on 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 provide 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 channel 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 made 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 function. 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 having 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 30 June 2024 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 30 October 2024.

Additional Compliance Information

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

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS DURING THE FINANCIAL PERIOD ENDED 2024 ("FPE2024")

Share Issuance 10%

On 17 May 2024, the Company announced its proposal to undertake private placement exercise of up to 246,778,000 new ordinary shares (**"Placement Shares"**), representing approximately 10% of the existing total number of issued shares of PUC.

As at 4 October 2024, the Company issued 189,900,333 Placement Shares, raising total proceeds of RM 10,000,072.99. The status of the utilisation of proceeds arising from the Placement Shares 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	
Upgrading of the Presto Digital Platform	3,000	1,500	–	–	1,500	Within 12 months
Marketing of the Presto Digital Platform	3,000	2,550	–	–	450	Within 12 months
Working capital	5,948	5,877	–	–	71	Within 12 months
Expenses in relation to the Share Issuance 10% exercise	490	73	–	–	417	Immediate
TOTAL	12,438	10,000	–	–	2,438	

AUDIT AND NON-AUDIT FEES

Details of statutory audit, audit-related and non-audit fees paid or made payable in the FPE2024 to the External Auditors, Messrs UHY are as set out below:

Fees Description	Fees paid or made payable to Messrs UHY (RM)		
	Company	Subsidiaries	Total
Audit	123,000	158,500	281,500
Non-Audit	5,000	–	5,000
Total	**128,000**	**158,500**	**286,500**

Additional Compliance Information (cont'd)

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

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 FPE2024 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 30 June 2024 (RM)	4,482,204

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) Total number of SGS Shares granted under the ESIS since its implementation up to FPE2024 are as follows:-

Number of SGS Shares	Total	Director and Senior Management
SGS Granted and Accepted on 24 February 2023	100,000,000	20,000,000
SGS Granted and Accepted on 15 January 2024	100,000,000	100,000,000

(ii) The total ESOS option outstanding up to FPE2024 is 168,505,167 shares.

No ESOS Option was granted or exercised during the FPE 2024.

(iii) The total aggregate ESIS option outstanding up to FPE2024 is as follow:-

Number of SGS shares outstanding as at FPE2024	46,778,747
Number of ESOS shares outstanding as at FPE2024	168,505,167
Total aggregate option/shares outstanding	**215,283,914**

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 period and since its implementation up to 30 June 2024 are set out below:-

Directors and Senior Management	Percentage of Total SGS Shares and ESOS Options (%)	
	During the FPE2024	Since Implementation up to 30 June 2024
Aggregate Maximum Allocation (By-Law 4.1(c))	50%	50%
Actual granted / offered	17%	17%

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 FPE2024.

Analysis of Securities Holdings

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2024

Total number of issued shares : 2,711,234,371
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	960	20,931	0.00[1]
100 to 1,000 shares	1,011	479,852	0.02
1,001 to 10,000 shares	2,828	15,807,153	0.58
10,001 to 100,000 shares	3,594	153,261,474	5.65
100,001 to less than 5% of issued shares	1,507	1,919,088,861	70.78
5% and above of issued shares	3	622,576,100	22.96
Total	**9,903**	**2,711,234,371**	**100.00**

Note:-

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

Substantial Shareholders

Name	No. of shares held			
	Direct	%	Indirect	%
Liew Fook Meng	241,549,900	8.91	–	–
Cheong Chia Chou	222,937,670	8.22	–	–
Lau Pak Lam	218,500,000	8.06	–	–
GPVF Sdn Bhd (**"GPVF"**)	162,526,200	5.99	–	–
Kenyalang Borneo Sdn Bhd	–	–	162,526,200[1]	5.99
Genting Plantations Berhad	–	–	162,526,200[2]	5.99
Genting Berhad	–	–	162,526,200[3]	5.99

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	0.04	–	–
Cheong Chia Chou	222,937,670	8.22	–	–
Liew Peng Chuen @ Liew Ah Choy	500,000	0.02	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	LIEW FOOK MENG	241,549,900	8.91
2	LAU PAK LAM	218,500,000	8.06
3	GPVF SDN. BHD.	162,526,200	5.99
4	SHELLYS MARKETING SDN. BHD.	121,152,700	4.47
5	RHB NOMINEES (ASING) SDN BHD – OSK CAPITAL SDN BHD FOR CHEONG CHIA CHOU	100,000,000	3.69
6	MAH SOON HUAT	75,000,000	2.77
7	CHEONG CHIA CHOU	65,657,670	2.42
8	CHEOW SOOK MEI	60,014,900	2.21
9	KENANGA NOMINEES (ASING) SDN BHD – EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	58,511,100	2.16
10	LEONG SUI LAI	50,020,000	1.84
11	RHB NOMINEES (TEMPATAN) SDN BHD – CAROLYN WONG TARNN YOONG	50,000,000	1.84
12	SUPERB GO SDN BHD	39,895,534	1.47
13	HEAP WEI GUAN	38,298,135	1.41
14	UOB KAY HIAN NOMINEES (ASING) SDN BHD – EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	26,718,360	0.99
15	RHB NOMINEES (TEMPATAN) SDN BHD – CHAN SHOOK FUN	25,000,000	0.92
16	LOW CHEE YEAP	22,222,222	0.82
17	LIM SOON TUT	21,300,100	0.79
18	CHENG WAN SIA	20,000,000	0.74
19	GOH JIN WEI	19,137,500	0.71
20	NG YOKE HIN	17,820,200	0.66
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR TEH BAT KUAN	16,044,700	0.59
22	ANG JOO SENG	15,000,000	0.55
23	TA NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR LIM HAU YANG	14,983,100	0.55
24	LIM CHING HEE	14,700,000	0.54
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD – LAW TIN TENG	13,000,000	0.48
26	LIM CHING HEE	12,500,000	0.46
27	TAN HWEE KIANG ROLAND	11,392,400	0.42
28	WONG WAI LUM	11,200,000	0.41
29	SG FORTUNES SDN BHD	11,031,816	0.41
30	TAN HOCK KIEN	10,900,000	0.40

Analysis of Securities Holdings (cont'd)

ANALYSIS OF WARRANT-A HOLDINGS AS AT 30 SEPTEMBER 2024

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	1,108	25,326	0.10
100 to 1,000 warrants	444	174,503	0.66
1,001 to 10,000 warrants	279	1,200,368	4.52
10,001 to 100,000 warrants	174	6,469,312	24.36
100,001 to less than 5% of issued warrants	52	16,482,602	62.08
5% and above of issued warrants	1	2,200,000	8.29
Total	**2,058**	**26,552,111**	**100.00**

Substantial Warrant-A Holders

Name	No. of warrants held			
	Direct	%	Indirect	%
Kenanga Nominees (Tempatan) Sdn Bhd – Rakuten Trade Sdn Bhd for Naresh Nair A/L Narayanan	2,200,000	8.29	–	–

Directors' Warrant-A Holdings

Name	No. of warrants held			
	Direct	%	Indirect	%
Fong Yew Meng	57	0.00	–	–

Notes:-

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

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

No.	Name	Warrants	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD – RAKUTEN TRADE SDN BHD FOR NARESH NAIR A/L NARAYANAN	2,200,000	8.29
2	ADRIAN YEI ZHENG YIK	1,087,000	4.09
3	CHIANG YING YING	991,200	3.73
4	RAHMAN BIN MAT	974,500	3.67
5	PUC FOUNDER (M) SDN BHD	770,000	2.90
6	TAN KHEAK CHUN	700,040	2.64
7	ONG KENG TEONG	539,580	2.03
8	LIM HUI LI	538,200	2.03
9	NG HOE KIAT	500,000	1.88
10	HARYATI BINTI MOHD SARKAWI	490,000	1.85
11	MUHAMMAD HAJID BIN MAT TASIR	453,600	1.71
12	MOHD FADZIL BIN MD ASAR	451,700	1.70
13	TAN LI CHIN	394,800	1.49
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD – KUA SONG TUCK	373,000	1.40
15	CHONG KAH SIONG	363,585	1.37
16	LEOW CHUNG TAT	359,500	1.35
17	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. – PLEDGED SECURITIES ACCOUNT FOR NG HOE KIAT	350,000	1.32
18	TEE YEOW	300,000	1.13
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR SENG POH TAU	285,400	1.07
20	WOO CHUN PIN	280,600	1.06
21	RUSLINA BINTI MAMAT	278,100	1.05
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD – ONG SENG TEIK	275,300	1.04
23	TEH SWEE LOKE	266,000	1.00
24	WONG BEE CHENG	252,000	0.95
25	DAMIAN KHAW LOK JUANG	250,000	0.94
26	EWE HONG KHOON	246,497	0.93
27	KWAN YIN LAN	244,600	0.92
28	YAP TAI THAI	231,900	0.87
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR LOW AH KOU (E-SPI)	221,600	0.83
30	LIM JUN CHIEN	214,900	0.81

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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 period ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of its subsidiary companies include software development, e-payment solutions, investment holding, advertising and media activities, business management services, technology consultancy services, e-commerce and intellectual property licensing. Other information relating to the respective subsidiaries are disclosed in Note 7 to the financial statements.

CHANGED OF FINANCIAL YEAR END

On 26 December 2023, the Company changed its financial year end from 31 December to 30 June. Accordingly, the financial statements for the current period are made up of eighteen (18) months from 1 January 2023 to 30 June 2024.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Net loss for the financial period	(65,654,666)	(121,328,950)
Attributable to:		
Owners of the parent	(65,651,963)	(121,328,950)
Non-controlling interests	(2,703)	–
	(65,654,666)	(121,328,950)

RESERVES AND PROVISIONS

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

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 period.

Directors' Report (cont'd)

ISSUE OF SHARES AND DEBENTURES

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

(i) 546,412,000 new ordinary shares pursuant to the private placement exercise at issue price RM0.03 per ordinary share;

(ii) 100,000,000 new ordinary shares pursuant to the offer and grant of Employees' Share Grant Scheme ("ESGS") at exercise price of RM0.0312 per ordinary share;

(iii) 100,000,000 new ordinary shares pursuant to the offer and grant of Employees' Share Grant Scheme ("ESGS") at exercise price of RM0.0419 per ordinary share.

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

There was no issuance of debentures during the financial period.

WARRANTS

Warrants 2014/2024 ("Warrants-A")

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

As at 30 June 2024, the total number of Warrants-A that remained unexercised were 26,552,111.

The salient terms of the Warrants-A are disclosed in Note 21(d) 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 38 to the financial statements.

DIRECTORS

The Directors of the Company in office since the beginning of the current financial period until 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*	
Ng Say Beng	
Dato' Sri Adnan Bin Wan Mamat	
Ooi Kah Hoe	(Appointed on 19 January 2023)
Lee Bao En	(Resigned on 19 January 2023)
Leong Yien Hung	(Appointed on 1 November 2023 & resigned on 29 January 2024)

* *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 period until the date of this report are:

Tong Whye Meng
Lim Ee Mae
Cheng Wan Sia

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 IN SHARES

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

	Number of ordinary shares			
	At 01.01.2023	Addition	Disposal	At 30.06.2024
Interests in the Company				
Direct interests:				
Liew Peng Chuen @ Liew Ah Choy	500,000	–	–	500,000
Cheong Chia Chou	58,280,000	100,000,000	–	158,280,000
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 01.01.2023	Addition	Disposal	At 30.06.2024
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' Report (cont'd)

DIRECTORS' INTERESTS IN SHARES (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 period 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 period had any interest in the ordinary shares of the Company or of its related corporations during the financial period.

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 period ended 30 June 2024 are set out below:

	Group	Company
	RM	RM
Salaries, wages and other emolument	594,000	594,000
Fees	514,565	406,065
Social security costs	1,114	1,114
Other benefits	4,297,386	4,297,386
	5,407,065	5,358,565

Neither during nor at the end of the financial period, 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 period, the total amount of indemnity coverage and insurance premium paid for the Directors of the Company were RM5,000,000 and RM17,500 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 period 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 period.

(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 period 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 period 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 period 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 period in which this report is made.

Directors' Report (cont'd)

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 period ended 30 June 2024 are as follows:

	Group	Company
	RM	RM
Auditors' remuneration:		
– UHY	286,500	123,000
– Other auditors	59,029	–
	345,529	123,000

SIGNIFICANT EVENTS

The subsequent events are disclosed in Note 39 to the financial statements.

AUDITORS

The Auditors, Messrs. UHY Malaysia (formerly known as 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 30 October 2024.

DATUK OH CHONG PENG

CHEONG CHIA CHOU

KUALA LUMPUR

Statement by Directors

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

The Directors of the PUC Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of the financial performance and cash flows of the Group and of the Company for the financial period from 1 January 2023 to 30 June 2024.

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

DATUK OH CHONG PENG

CHEONG CHIA CHOU

KUALA LUMPUR
30 October 2024

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 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 30 October 2024)

CHOR ZHENYI

Before me,

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 30 June 2024 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 period from 1 January 2023 to 30 June 2024 and notes to the financial statements, including material accounting policies, as set out on pages 123 to 214.

In our opinion, except for the effects of the matters described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the financial period from 1 January 2023 to 30 June 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

The Group's investment in Pictureworks International Holdings Limited ("PWIH") and its subsidiaries ("PW Group"), accounted for by the equity method, is carried at RM28,591,505, on the consolidated statement of financial position as at 30 June 2024 and the Group's share of PW Group's loss after taxation of RM1,780,603 is included in the Group's consolidated statement of profit or loss and other comprehensive income for the financial period then ended. Due to the matters described in Note 8 to the financial statements, we were unable to obtain sufficient and appropriate audit evidence on the carrying amount of the Group's investment in PW Group as at 30 June 2024 and the Group's share of PW Group's loss after taxation for the financial period because we were not able to obtain access to the financial information and we are unable to obtain clearance from auditors of PW Group within the audit time period. Consequently, we were unable to determine whether any adjustments might have been found necessary to these balances.

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 qualified 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 period. 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 RM22,460,396 as at 30 June 2024. These expenditures consist of software development and expenditure for presto projects, loyalty programme and integration 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; and • Assessed the adequacy and appropriateness of the related disclosure in the financial statements.
Impairment assessment of investment in associates Impairment provisions of RM30,869,877 had been recognised against the carrying amounts of investments in associates during the financial period ended 30 June 2024. Investments in associates are subject to impairment assessment when there is an impairment indicator. In carrying out impairment assessments, significant judgments are required to estimate the recoverable amounts, being the higher of the fair value less costs of disposal and value in use. Management adopted the discounted cash flows as valuation models. In assessing the value in use, significant management assumptions have to be applied in the determination of revenue growth rates, terminal growth rates, and discount rates when using discounted cash flows. We focused on these areas due to the magnitude of the carrying amounts of these assets and the fact that significant judgments were applied by management.	We have performed the following audit procedures: • Based on available market information, assessed and evaluated the key assumptions used in forecasting revenues, operating profit margins and growth rates; • Assessed appropriateness of pre-tax discount rate used by management by comparing to the market data, weighted average cost of capital of the associate and relevant risk factors; and • Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

Independent Auditors' Report (cont'd)

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information 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 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.

Independent Auditors' Report (cont'd)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that

(a) the subsidiary companies of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

(b) in our opinion, we have not obtained all the information and explanations that we required

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 MALAYSIA
Firm Number: AF 1411
Chartered Accountants

KUALA LUMPUR
30 October 2024

TAN GIM-HENG
Approved Number: 03595/09/2025 J
Chartered Accountant

Statements of Financial Position

As at 30 June 2024

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**4,506,004**	4,781,290	**41,263**	104,354
Right-of-use assets	5	**–**	39,510	**–**	–
Software development expenditure	6	**22,460,396**	76,091,150	**–**	–
Investment in subsidiary companies	7	**–**	–	**–**	33,920,319
Investment in associates	8	**28,591,505**	62,853,729	**48,355,041**	48,355,041
Investment in joint venture companies	9	**279,124**	354,919	**–**	–
Intangible assets	10	**80,000**	1,420,047	**–**	–
Other investments	11	**–**	11,666,100	**–**	11,666,000
		55,917,029	157,206,745	**48,396,304**	94,045,714
Current Assets					
Other investments	11	**2,838**	2,732	**2,837**	2,731
Lease receivables	12	**–**	55,121	**–**	–
Contract assets	13	**2,354,826**	99,930	**–**	–
Trade receivables	14	**2,776,003**	14,122,422	**–**	–
Other receivables	15	**20,772,082**	7,178,588	**16,479,426**	5,937,401
Amount due from subsidiary companies	16	**–**	–	**–**	65,291,855
Amount due from related companies	17	**–**	–	**–**	–
Tax recoverable		**225,682**	152,056	**1,998**	1,807
Deposits, bank and cash balances	18	**1,393,616**	2,262,427	**4,109**	21,654
		27,525,047	23,873,276	**16,488,370**	71,255,448
Assets classified as held for sale	19	**71,371,625**	–	**11,666,000**	–
Total current assets		**98,896,672**	23,873,276	**28,154,370**	71,255,448
Total Assets		**154,813,701**	181,080,021	**76,550,674**	165,301,162

Statements of Financial Position (cont'd)

As at 30 June 2024

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	20	**444,212,517**	420,510,157	**448,045,272**	424,342,912
Reserves	21	**(316,004,404)**	(249,678,638)	**(400,929,367)**	(279,600,417)
Equity attributable to owners of the parent		**128,208,113**	170,831,519	**47,115,905**	144,742,495
Non-controlling interests		**(2,703)**	–	**–**	–
Total Equity		**128,205,410**	170,831,519	**47,115,905**	144,742,495
LIABILITIES					
Non-Current Liabilities					
Borrowings	22	**2,800,001**	3,145,434	**–**	–
		2,800,001	3,145,434	**–**	–
Current Liabilities					
Contract liabilities	13	**3,071,252**	451,803	**–**	–
Trade payables	23	**794,294**	936,430	**–**	–
Other payables	24	**11,560,768**	5,315,154	**751,150**	274,794
Amount due to subsidiary companies	16	**–**	–	**28,596,753**	20,240,494
Amount due to directors		**3,519,406**	43,379	**86,866**	43,379
Lease liabilities	25	**–**	40,679	**–**	–
Bank borrowings	22	**4,815,893**	267,812	**–**	–
Tax payable		**46,677**	47,811	**–**	–
		23,808,290	7,103,068	**29,434,769**	20,558,667
Total Liabilities		**26,608,291**	10,248,502	**29,434,769**	20,558,667
Total Equity and Liabilities		**154,813,701**	181,080,021	**76,550,674**	165,301,162

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

Statements of Profit or Loss and other Comprehensive Income

For the financial period ended 30 June 2024

	Note	Group		Company	
		01.01.2023 to 30.06.2024 (18 months) RM	01.01.2022 to 31.12.2022 (12 months) RM	01.01.2023 to 30.06.2024 (18 months) RM	01.01.2022 to 31.12.2022 (12 months) RM
Revenue	26	**27,048,878**	19,245,348	**–**	–
Cost of sales		**(22,489,467)**	(17,703,995)	**–**	–
Gross profit		**4,559,411**	1,541,353	**–**	–
Other income		**12,867,461**	6,411,653	**2,631,173**	7,632,673
Administrative and selling expenses		**(75,461,152)**	(44,437,141)	**(25,630,483)**	(45,686,635)
Amortisation of intangible assets		**(124,988)**	(2,009,847)	**–**	–
Net loss on impairment of financial instruments		**(2,034,175)**	(10,816,335)	**(98,329,640)**	(117,110,531)
Loss from operations		**(60,193,443)**	(49,310,317)	**(121,328,950)**	(155,164,493)
Finance costs	27	**(1,855,785)**	(128,303)	**–**	–
Share of results of associates, net of tax		**(3,391,707)**	(4,050,735)	**–**	–
Share of results of joint venture companies, net of tax		**(150,876)**	(45,169)	**–**	–
Loss before tax	28	**(65,591,811)**	(53,534,524)	**(121,328,950)**	(155,164,493)
Taxation	29	**(62,855)**	(28,807)	**–**	(6,449)
Loss for the financial period/year		**(65,654,666)**	(53,563,331)	**(121,328,950)**	(155,170,942)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		**(755,578)**	(515,605)	**–**	–
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 period/year		**(66,410,244)**	(54,412,936)	**(121,328,950)**	(155,504,942)

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

For the financial period ended 30 June 2024

	Note	Group		Company	
		01.01.2023 to 30.06.2024 (18 months) RM	01.01.2022 to 31.12.2022 (12 months) RM	01.01.2023 to 30.06.2024 (18 months) RM	01.01.2022 to 31.12.2022 (12 months) RM
Loss for the financial period/year attributable to:					
Owners of the parent		**(65,650,152)**	(53,563,331)	**(121,328,950)**	(155,170,942)
Non-controlling interests		**(4,514)**	–	**–**	–
		(65,654,666)	(53,563,331)	**(121,328,950)**	(155,170,942)
Total comprehensive loss for the financial period/year attributable to:					
Owners of the parent		**(66,405,730)**	(54,412,936)	**(121,328,950)**	(155,504,942)
Non-controlling interests		**(4,514)**	–	**–**	–
		(66,410,244)	(54,412,936)	**(121,328,950)**	(155,504,942)
Loss per share					
Basic (sen)	30(a)	**(3.13)**	(3.34)	**–**	–
Diluted (sen)	30(b)	**(3.13)**	(3.34)	**–**	–

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

Statements of Changes in Equity

For the financial period ended 30 June 2024

Group	Attributable to Owners of the Parent								
	<-- Non-Distributable -->								
	Share capital RM	Other reserves RM	Foreign currency translation reserve RM	Reverse acquisition debit RM	Warrants reserve RM	Fair value reserve RM	Accumulated losses RM	Non-controlling interest RM	Total equity RM
At 1 January 2023	420,510,157	(14,845,692)	(707,872)	(36,809,064)	16,714,974	(334,000)	(213,696,984)	–	170,831,519
Loss for the financial period	–	–	–	–	–	–	(65,650,152)	(4,514)	(65,654,666)
Acquisition of subsidiary	–	–	–	–	–	–	–	1,811	1,811
Other comprehensive loss for the financial period	–	–	(755,578)	–	–	–	–	–	(755,578)
Total comprehensive loss for the financial period	–	–	(755,578)	–	–	–	(65,650,152)	(2,703)	(66,408,433)
Transactions with owners:									
Issue of ordinary shares									
– Private placement (Note 20)	16,392,360	–	–	–	–	–	–	–	16,392,360
– Exercise of ESOS (Note 20)	7,310,000	–	79,964	–	–	–	–	–	7,389,964
	23,702,360	–	79,964	–	–	–	–	–	23,782,324
At 30 June 2024	444,212,517	(14,845,692)	(1,383,486)	(36,809,064)	16,714,974	(334,000)	(279,347,136)	(2,703)	128,205,410

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 20)	24,536,025	–	–	–	–	–	–	–	24,536,025
– Issuance of ESOS (Note 38)	–	395,022	–	–	–	–	–	–	395,022
– Exercise of ESOS (Note 20)	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

Statements of Changes in Equity (cont'd)

For the financial period ended 30 June 2024

Company	Attributable to Owners of the Parent						
	<---------- Non-Distributable ---------->						
	Share capital RM	Employees' share option scheme ("ESOS") RM	Other reserves RM	Warrants reserve RM	Fair value reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2023	**424,342,912**	**–**	**(16,714,974)**	**16,714,974**	**(334,000)**	**(279,266,417)**	**144,742,495**
Loss for the financial period representing, total comprehensive loss for the financial period	**–**	**–**	**–**	**–**	**–**	**(121,328,950)**	**(121,328,950)**
Transactions with owners:							
Issue of ordinary shares							
– Private placement (Note 20)	**16,392,360**	**–**	**–**	**–**	**–**	**–**	**16,392,360**
– Exercise of ESOS (Note 20)	**7,310,000**	**–**	**–**	**–**	**–**	**–**	**7,310,000**
	23,702,360	**–**	**–**	**–**	**–**	**–**	**23,702,360**
At 30 June 2024	**448,045,272**	**–**	**(16,714,974)**	**16,714,974**	**(334,000)**	**(400,595,367)**	**47,115,905**

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)**	**–**	**(334,000)**
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 20)	**24,536,025**	**–**	**–**	**–**	**–**	**–**	**24,536,025**
– Issuance of ESOS (Note 38)	**–**	**395,022**	**–**	**–**	**–**	**–**	**395,022**
– Exercise of ESOS (Note 20)	**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**

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

Statements of Cash Flows

For the financial period ended 30 June 2024

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Cash Flows From Operating Activities				
Loss before tax	**(65,591,811)**	(53,534,524)	**(121,328,950)**	(155,164,494)
Adjustments for:				
Amortisation of:				
– Software development expenditure	**14,788,475**	12,512,716	**–**	–
– Intangible assets	**799,355**	2,009,847	**–**	–
Depreciation of:				
– Property, plant and equipment	**302,942**	913,512	**67,090**	80,076
– Right-of-use assets	**39,510**	43,101	**–**	–
Dividends received from mutual funds	**(106)**	(42)	**(106)**	(42)
Fair value loss of other investments				
Finance costs	**1,855,785**	128,303	**–**	–
Loss on deconsolidation of subsidiaries	**(4,158)**	15,372	**16,698,526**	–
Impairment loss on:				
– Impairment of assets held for sale	**346,528**	3,435,684	**–**	–
– Investment in associates	**30,869,877**	–	**–**	–
– Investment in subsidiaries	**–**	–	**38,434,971**	42,492,385
– Other investment	**–**			–
– Other receivables	**239,985**	1,630,446	**–**	1,275,005
– Trade receivables	**4,179,236**	9,412,900	**–**	–
– Amount due from subsidiaries	**–**	–	**72,438,356**	115,834,805
Interest income	**(30,212)**	(449,123)	**(2,237,974)**	(1,542,816)
Operating (loss)/profit before working capital changes carried forward	**(12,204,594)**	(23,547,808)	**4,071,913**	3,308,919

Statements of Cash Flows (cont'd)

For the financial period ended 30 June 2024

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Cash Flows From Operating Activities (Cont'd)				
Operating (loss)/profit before working capital changes brought forward	**(12,204,594)**	(23,547,808)	**4,071,913**	3,308,919
Reversal of impairment loss on:				
– Other receivables	**(337,300)**	–	**–**	–
– Trade receivables	**(11,647,868)**	(227,011)	**–**	–
– Amount due from subsidiaries	**–**	–	**(3,050,505)**	(5,730,840)
– Investment in subsidiaries	**–**	–	**(9,493,182)**	–
Share-based payment expenses	**7,310,000**	395,022	**4,190,000**	395,022
Share of result from, net of tax:				
– associates	**3,391,707**	4,050,735	**–**	–
– joint ventures	**150,876**	45,169	**–**	–
Unrealised loss on foreign exchange	**(286,522)**	(547,032)	**(392,231)**	(356,357)
Written off of:				
– Property, plant and equipment	**–**	100,000	**–**	–
– Software development expenditure				
– Intangible assets	**–**	2,612,500	**–**	–
– Inventories	**–**	3,032	**–**	–
– Trade receivables	**6,187**	66	**–**	–
Operating loss before working capital changes	**(13,617,514)**	(16,015,327)	**(4,674,005)**	(2,383,256)
Changes in working capital Inventories	**–**	8,633,712	**–**	–
Contract assets/liabilities	**364,553**	194,423	**–**	–
Trade receivables	**18,421,493**	(3,497,733)	**–**	–
Other receivables	**(13,541,352)**	5,118,783	**(10,149,794)**	(5,579,358)
Lease receivables	**55,121**	537,855	**–**	–
Trade payables	**(142,136)**	(37,729)	**–**	–
Other payables	**6,254,732**	(859,025)	**476,356**	124,598
	11,412,411	10,090,286	**(9,673,438)**	(5,454,760)
Cash used in operations	**(2,205,103)**	(5,925,041)	**(14,347,443)**	(7,838,016)
Tax refunded	**–**	–	**–**	555
Tax paid	**(137,615)**	(97,624)	**(191)**	(6,449)
Currency translation differences	**–**	(460,524)		–
	(137,615)	(558,148)	**(191)**	(5,894)
Net cash used in operating activities	**(2,342,718)**	(6,483,189)	**(14,347,634)**	(7,843,910)

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Cash Flows From Investing Activities				
Interest received	**30,212**	449,123	**2,237,974**	1,542,816
Addition of:				
– Property, plant and equipment (Note 4)	**(28,129)**	(7,500)	**(3,999)**	(7,500)
– Software development expenditure (Note 6)	**(35,233,280)**	(29,635,735)	**–**	–
– Intangible assets (Note 10)	**(150,000)**	–	**–**	–
– Investment in mutual funds	**(106)**	(42)	**(106)**	(42)
– Investment in subsidiaries	**–**	–	**(8,600,000)**	(395,022)
– Investment in associates	**–**	(600)	**–**	–
Net changes in other investments	**–**	(334,100)	**–**	(334,000)
Acquisition and subscription of:				
– Shares in subsidiaries	**40**	–	**–**	–
– Shares in joint ventures	**(29,908)**	(400,088)	**–**	–
Dividends received from mutual funds	**106**	42	**106**	42
Increase in fixed deposits pledged	**(29,581)**	(13,368)	**–**	–
Decrease in monies held–in–trust	**(437)**	(422)	**–**	–
Proceeds from disposal of:				
– Property, plant and equipment	**563**	–	**–**	–
– Software development expenditure	**14,714,098**	5,029,385	**–**	–
– Associates	**600**	–	**–**	–
– Other investments	**100**			
Net cash outflows on deconsolidation of subsidiaries	**(4,960)**	(15,568)	**–**	–
Net changes in amount due from subsidiaries	**–**	–	**(4,095,996)**	(24,052,449)
Net cash used in investing activities	**(20,730,682)**	(24,928,873)	**(10,462,021)**	(23,246,155)

Statements of Cash Flows (cont'd)

For the financial period ended 30 June 2024

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Cash Flows From Financing Activities				
Advance from directors	**3,476,027**	–	**43,487**	–
Interest paid	**(1,855,785)**	(128,303)	**–**	–
Proceeds from:				
– Private placement of shares	**16,392,360**	24,536,025	**16,392,360**	24,536,025
– Exercise of ESOS	**–**	2,643,131	**–**	2,643,131
– Redeemable preference shares	**(8,600,000)**	–	**–**	–
Net changes in amount due to subsidiary companies	**–**	–	**8,356,263**	871,186
Repayment of redeemable preference shares	**8,600,000**	–	**–**	–
Placement of term loan	**4,955,000**	–	**–**	–
Payment of lease liabilities	**(40,679)**	(42,117)	**–**	–
Repayment of term loan	**(752,352)**	(235,892)	**–**	–
Net cash from financing activities	**22,174,571**	26,772,844	**24,792,110**	28,050,342
Net decrease in cash and cash equivalents	**(898,829)**	(4,639,218)	**(17,545)**	(3,039,723)
Cash and cash equivalents at the beginning of the financial period/year	**1,441,644**	6,136,028	**21,654**	3,061,377
Effect of foreign translation differences on cash and cash equivalents	**–**	(55,166)	**–**	–
Cash and cash equivalents at the end of the financial period/year	**542,815**	1,441,644	**4,109**	21,654
Cash and cash equivalents at the end of the financial period/year comprise:				
Fixed deposits with licensed banks (Note 18)	**791,406**	761,825	**–**	–
Cash and bank balances (Note 18)	**602,210**	1,500,602	**4,109**	21,654
	1,393,616	2,262,427	**4,109**	21,654
Less: Fixed deposits pledged for credit facilities (Note 18)	**(791,406)**	(761,825)	**–**	–
Less: Monies held–in–trust	**(59,395)**	(58,958)	**–**	–
	542,815	1,441,644	**4,109**	21,654

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

Notes to the Financial Statements

30 June 2024

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 its subsidiary companies are mainly software development and consultancy, money lending business and payment solutions, E-payment solutions, trading and merchandising of goods, investment holding, acquisition and licensing of intellectual property rights, provision of management and technical services, advertising media activities, research and development of electronic advertising services, and other advertising services, software development and consultancy.

Further details of the subsidiaries have been disclosed in Note 7 to the financial statements.

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 material accounting policies below.

Adoption of amended standards

During the financial period, the Group and the Company have adopted the following amendments to standards by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

Notes to the Financial Statements (cont'd)

30 June 2024

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Adoption of amended standards (cont'd)

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and the Company except as disclosed below:

Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Group and the Company adopted Amendments to MFRS 101 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of material accounting policy information rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in any material changes to the accounting policies of the Group and the Company.

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 for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instrument	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale 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.

Notes to the Financial Statements (cont'd)

30 June 2024

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).

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 14, 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 35(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 30 June 2024, the Group has tax recoverable of RM225,682 (2022: RM152,056) and tax payable of RM46,677 (2022: RM47,811) and the Company has tax recoverable of RM1,998 (2022: RM1,807)..

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements.

(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. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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(m)(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. MATERIAL 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(m)(i) on impairment of non-financial assets.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL 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.

(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(m)(i) on impairment of non-financial assets.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

(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.

(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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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(m)(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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(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.

(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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets (cont'd)

(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.

(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(m)(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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (cont'd)

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.

(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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (cont'd)

Financial asset categories and subsequent measurement (cont'd)

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI") (cont'd)

(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.

(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(m)(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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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.

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 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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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*.

(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) 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.

(l) 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.

(m) 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (cont'd)

(i) Non-financial assets (cont'd)

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.

(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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

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.

(n) 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) 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.

(p) 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.

(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 38.

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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) 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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Revenue recognition (cont'd)

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

The Group recognises revenue from the following major sources: (cont'd)

(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.

(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.

(r) 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.

Notes to the Financial Statements (cont'd)

30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) 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.

(t) 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) 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 2023	**5,500,000**	**3,439,911**	**197,825**	**416,634**	**51,542**	**914,912**	**10,520,824**
Additions	**–**	**26,579**	**–**	**1,550**	**–**	**–**	**28,129**
Disposals	**–**	**(1,942)**	**(964)**	**–**	**–**	**–**	**(2,906)**
Exchange differences	**–**	**6,789**	**–**	**–**	**–**	**–**	**6,789**
At 30 June 2024	**5,500,000**	**3,471,337**	**196,861**	**418,184**	**51,542**	**914,912**	**10,552,836**
Accumulated depreciation							
At 1 January 2023	**852,796**	**3,393,776**	**164,083**	**364,600**	**51,542**	**912,737**	**5,739,534**
Charge for the financial period	**165,000**	**70,050**	**18,899**	**47,115**	**–**	**1,878**	**302,942**
Disposals	**–**	**(1,942)**	**(401)**	**–**	**–**	**–**	**(2,343)**
Exchange differences	**–**	**6,699**	**–**	**–**	**–**	**–**	**6,699**
At 30 June 2024	**1,017,796**	**3,468,583**	**182,581**	**411,715**	**51,542**	**914,615**	**6,046,832**
Net carrying amount							
At 30 June 2024	**4,482,204**	**2,754**	**14,280**	**6,469**	**–**	**297**	**4,506,004**

Notes to the Financial Statements (cont'd)

30 June 2024

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 (Restated)							
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 (Restated)							
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	744,723	16,131	32,279	–	10,379	913,512
Exchange differences	–	574	–	–	–	–	574
At 31 December 2022	852,796	3,393,776	164,083	364,600	51,542	912,737	5,739,534
Net carrying amount (Restated)							
At 31 December 2022	4,647,204	46,135	33,742	52,034	–	2,175	4,781,290

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 2023	**375,121**	**149,402**	**307,197**	**888,262**	**1,719,982**
Additions	**3,999**	**–**	**–**	**–**	**3,999**
At 30 June 2024	**379,120**	**149,402**	**307,197**	**888,262**	**1,723,981**
Accumulated depreciation					
At 1 January 2023	**365,128**	**130,673**	**233,443**	**886,384**	**1,615,628**
Charge for the financial year	**5,622**	**17,916**	**41,674**	**1,878**	**67,090**
At 30 June 2024	**370,750**	**148,589**	**275,117**	**888,262**	**1,682,718**
Net carrying amount					
At 30 June 2024	**8,370**	**813**	**32,080**	**–**	**41,263**
Cost					
At 1 January 2022	367,621	149,402	307,197	888,262	1,712,482
Addition	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	29,252	20,987	19,577	10,260	80,076
At 31 December 2022	365,128	130,673	233,443	886,384	1,615,628
Net carrying amount					
At 31 December 2022	9,993	18,729	73,754	1,878	104,354

Notes to the Financial Statements (cont'd)

30 June 2024

5. RIGHT-OF-USE ASSETS

	Buildings RM
Group	
Cost	
At 1 January 2023/30 June 2024	**86,203**
Accumulated depreciation	
At 1 January 2023	**46,693**
Charge for the financial period	**39,510**
At 30 June 2024	**86,203**
Net carrying amount	
At 30 June 2024	**–**
Cost	
As 1 January 2022/31 December 2022	86,203
Accumulated depreciation	
As 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

6. SOFTWARE DEVELOPMENT EXPENDITURE

	Omni Channel (Note a) RM	Presto (Note b) RM	Total RM
Group			
Cost			
At 1 January 2023	**5,028,513**	**106,406,632**	**111,435,145**
Additions	**–**	**35,233,280**	**35,233,280**
Disposal	**–**	**(19,723,598)**	**(19,723,598)**
Reclassification to asset held for sales	**–**	**(73,508,604)**	**(73,508,604)**
At 30 June 2024	**5,028,513**	**48,407,710**	**53,436,223**
Accumulated amortisation			
At 1 January 2023	**5,028,512**	**30,315,483**	**35,343,995**
Amortisation during the financial period	**–**	**14,788,475**	**14,788,475**
Disposal	**–**	**(5,009,500)**	**(5,009,500)**
Reclassification to asset held for sales	**–**	**(14,147,143)**	**(14,147,143)**
At 30 June 2024	**5,028,512**	**25,947,315**	**30,975,827**
Net carrying amount			
At 30 June 2024	**1**	**22,460,395**	**22,460,396**
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	5,028,512	22,042,664	27,071,176
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	5,028,512	30,315,483	35,343,995
Net carrying amount			
At 31 December 2022	1	76,091,149	76,091,150

Notes to the Financial Statements (cont'd)

30 June 2024

6. SOFTWARE DEVELOPMENT EXPENDITURE (CONT'D)

(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.

(c) The aggregate costs for software development expenditure of the Group during the financial period/ year acquired through cash payments are as follows:

	Group	
	30.06.2024 RM	31.12.2022 RM
Cash payments	**35,233,280**	29,635,735

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	30.06.2024 RM	31.12.2022 RM
In Malaysia		
At cost		
Unquoted shares	**45,335,670**	**43,941,018**
Cost of investment in relation to share option granted to employee of a subsidiary company	**3,954,051**	**2,082,051**
	49,289,721	**46,023,069**
Less: Accumulated impairment losses	**(49,289,721)**	**(12,102,750)**
	–	**33,920,319**
Outside Malaysia		
At cost		
Unquoted shares	**86,707,018**	**96,200,200**
Cost of investment in relation to share option granted to employee of a subsidiary company	**3,292,982**	**2,044,982**
	90,000,000	**98,245,182**
Less: Accumulated impairment losses	**(90,000,000)**	**(98,245,182)**
	–	**–**
	–	**33,920,319**

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Movements in the allowance for impairment losses are as follows:

	Company	
	30.06.2024 RM	**31.12.2022 RM**
At 1 January	**110,347,932**	67,855,547
Impairment loss recognised	**38,434,971**	42,492,385
Reversal of impairment losses	**(9,493,182)**	–
At 30 June 2024/31 December 2022	**139,289,721**	110,347,932

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 RM38,434,971 (2022: RM42,492,385) was recognised during the financial period/year.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	**2022 %**	
Direct Holding				
PUC Capital Sdn Bhd *(formerly known as 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
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
Indirect Holding				
Held through Presto Universe Sdn. Bhd.				
Enovax Malaysia Sdn. Bhd.	Malaysia	**100**	100	Software development and consultancy
Presto Assure Sdn. Bhd.^	Malaysia	**70**	40	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

Notes to the Financial Statements (cont'd)

30 June 2024

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
		2024 %	2022 %	
Indirect Holding (cont'd)				
***Held through Presto Universe Sdn. Bhd.* (cont'd)**				
Presto Capital Sdn. Bhd.	Malaysia	–	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
Presto Singapore Pte. Ltd.* *(formerly known as Enovax Pte. Ltd.)*	Republic of Singapore	**100**	100	Software development and consultancy
Presto Technology Sdn. Bhd.	Malaysia	**100**	100	Investment holding, acquisition and licensing of intellectual property rights
Presto Power Sdn. Bhd.*	Malaysia	**100**	40	Provision of power bank Leasing and related activities
Presto Q-Commerce Sdn. Bhd.	Malaysia	**100**	100	Investment holding
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

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
		2024 %	2022 %	
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 Malaysia*

(a) Internal reorganisation

(i) On 26 January 2024, Presto Universe Sdn. Bhd. ("PRUMY"), a wholly-owned subsidiary of the Company acquired 5,000,000 ordinary shares, representing the entire equity interest in Presto Technology Sdn. Bhd. ("PTCMY), from the Company for a total cash consideration of RM1 only. Consequently, PTCMY became a wholly-owned subsidiary of PRUMY.

(ii) On 28 June 2024, PRUMY, a wholly-owned subsidiary of the Company acquired 600,000 ordinary shares, representing the entire equity interest in Presto Singapore Pte. Ltd. ("ENVSG"), from the Company, for a total cash consideration of SGD1 only. Consequently, a reversal of impairment loss amounting to RM9,493,182 was recognised during the financial period and ENVSG became a wholly-owned subsidiary of PRUMY.

(b) Acquisition of subsidiary companies

(i) On 3 April 2023 and 26 January 2024, PRUMY, a wholly-owned subsidiary of the Company acquired 4,000 and 48,000 ordinary shares, representing additional of 30% equity interest in Presto Assure Sdn. Bhd. ("PRAMY"), has increased its equity interest from 40% to 70%, for a total consideration of RM199,910 and RM1 only. Consequently, PRAMY became a wholly-owned subsidiary of PRUMY.

(ii) On 26 January 2024, PRUMY, a wholly-owned subsidiary of the Company acquired 60 ordinary shares, representing additional of 60% equity interest in Presto Power Sdn. Bhd. ("PPWMY"), has increased its equity interest from 40% to 100%, for a total consideration of RM60 only. Consequently, PPWMY became a wholly-owned subsidiary of PRUMY.

(c) Incorporation of subsidiary company

In previous financial year, PRUMY, a wholly-owned subsidiary of the Company incorporated a wholly-owned subsidiary company, Presto Q-Commerce Sdn. Bhd., with a total cash consideration of RM2,000.

(d) Deconsolidation of subsidiary companies

(i) On 26 January 2023, PRUMY, a wholly-owned subsidiary of the Company disposed 800,000 ordinary shares, representing the entire equity interest in Presto Capital Sdn. Bhd. ("PRTMY) to Colorverse Ltd, for a total cash consideration of RM1 only.

Notes to the Financial Statements (cont'd)

30 June 2024

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Deconsolidation of subsidiary companies

(i) The deconsolidation of the subsidiary has the following financial effects on the Group's and the Company's financial statements:

	2024 RM
Group	
Cash at bank	**4,960**
Other payables	**(6,081)**
Amount due to related company	**(3,037)**
Loss on deconsolidation	**(4,158)**
Less: Cash and cash equivalents deconsolidated	**(4,960)**
Net cash outflows on deconsolidation of a subsidiary company	**(4,960)**

(ii) In previous financial year, 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
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)

(e) Deconsolidation of subsidiary companies (cont'd)

(iii) In previous financial year, 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
Less: Cash and cash equivalents deconsolidated	(6,255)
Net cash outflows on deconsolidation of a subsidiary company	(6,255)

8. INVESTMENT IN ASSOCIATES

	Group		Company	
	30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
In Malaysia				
Unquoted shares, at cost	**88,355,041**	88,355,681	**48,355,041**	48,355,041
Share of post – acquisition loss and reserves	**(9,666,265)**	(6,274,558)	**–**	–
Less: Accumulated impairment loss	**(50,097,271)**	(19,227,394)	**–**	–
	28,591,505	62,853,729	**48,355,041**	48,355,041

Notes to the Financial Statements (cont'd)

30 June 2024

8. INVESTMENT IN ASSOCIATES

Movements in the allowance for impairment losses are as follows:

	Group	
	30.06.2024 RM	31.12.2022 RM
At 1 January/31 December	**19,227,394**	(19,227,394)
Impairment loss recognised	**30,869,877**	–
At 31 December	**50,097,271**	(19,227,394)

The Company conducted a review of the recoverable amounts of its investment in certain associates of which its carrying amount of investments exceeded the net assets of the respective associates at the reporting date. As a result, a net impairment loss amounting to RM30,869,877 was recognised during the financial period, representing impairment of investment in associates to Presto Mall Sdn. Bhd. in view of unprofitable operation. The recoverable amount of RMNil as at 30 June 2024 was based on value-in-use and was determined at the level of cash generating unit. In determining the value-in-use for the cash generating unit, the cash flows were discounted at a rate of 10% on a pre-tax basis.

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2022 %	
Direct Holding				
Pictureworks Holdings Sdn. Bhd. ("PWHQ")^	Malaysia	**–**	33	Investment holding
Pictureworks International Holdings Limited ("PWIH")	Malaysia	**27.53**	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 webtechnologies internet and e-commerce
Presto Power Sdn. Bhd. ("PPWMY")^	Malaysia	**100**	40	Provision of power bank leasing and related services
Indirect Holding				
Held through Presto Q-Commerce Sdn. Bhd. ("PRQMY")				
Leef Trading Sdn. Bhd. (Presto Trade Sdn. Bhd. ("PTDMY")^	Malaysia	**–**	30	Trading of consumer products and business-to-business sales

^ *Not audited by UHY*

8. INVESTMENT IN ASSOCIATES (CONT'D)

(a) Internal reorganisation

On 21 September 2023, Pictureworks Holdings Sdn Bhd ("PWHQ"), an associate of the Company, underwent an internal restructuring ("Share Swap") which involved all shareholders of PWHQ exchanging their shares in PWHQ for new shares in Pictureworks International Holdings Limited ("PWIH").

Following the Share Swap, PWHQ became an indirect wholly-owned subsidiary of PWIH, and consequently PWIH became an associate of the Company with a 27.53% equity interest.

(b) Addition of investment in a subsidiary company

On 26 January 2024, Presto Universe Sdn. Bhd. ("PRUMY"), a wholly-owned subsidiary of the Company acquired 60 ordinary shares, representing additional of 60% equity interest in Presto Power Sdn. Bhd. ("PPWMY"), has increased its equity interest from 40% to 100%, for a total consideration of RM60 only. Consequently, PPWMY became a wholly-owned subsidiary of PRUMY as disclosed in Note 7.

(c) Disposal of associate

On 30 May 2024, Presto Q-Commerce Sdn. Bhd. ("PRQMY"), an indirect subsidiary company which held through Presto Universe Sdn. Bhd. ("PRUMY"), wholly-owned subsidiary of the Company disposed 600 ordinary shares, representing the entire equity interest in Leef Trading Sdn. Bhd. (formerly known as Presto Trade Sdn. Bhd. ("PTDMY"), for a total cash consideration of RM600 only.

(d) Incorporation of associate

In previous financial year, 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. PRQMY has further purchased 570 ordinary shares representing cash consideration of RM570. Consequently, PRQMY owns 30% equity interest, representing 600 ordinary shares in PTDMY.

The summarised financial information of the Group's and of the Company's material associates are set out below:

The audit of PWIH for the financial period ended 30 June 2024 has not been completed as of the date of this report due to the internal restructuring and no clearance from component auditors preventing the completion of the audit of PWIH's subsidiary, Pictureworks Holdings Sdn. Bhd. (PWHQ). The net assets of this subsidiary account for 84.6% of the net assets of PWIH and 67.1% of its loss for the financial year ended 30 June 2024.

Notes to the Financial Statements (cont'd)

30 June 2024

8. INVESTMENT IN ASSOCIATES (CONT'D)

(i) Summarised statement of financial position

2024	PWHQ RM	PWIH RM	PMMMY RM
Non-current assets	**6,007,311**	**5,895,085**	**1,147,048**
Current assets	**7,147,457**	**3,661,688**	**6,099,205**
Non-current liabilities	**(429,138)**	**(692,548)**	**(28,696,025)**
Current liabilities	**(20,409,479)**	**(17,391,767)**	**(40,003,646)**
Net assets/(liabilities)	**(7,683,849)**	**(8,527,542)**	**(61,453,418)**

2022	PWHQ RM	PMMMY RM
Non-current assets	21,132,571	1,208,075
Current assets	7,149,513	6,253,215
Non-current liabilities	(1,053,366)	–
Current liabilities	(14,832,706)	(55,214,843)
Net assets/(liabilities)	12,396,012	(47,753,553)

(ii) Summarised statement profit or loss and other comprehensive income

2024	PWHQ RM	PWIH RM	PMMMY RM
Revenue	**8,525,842**	**6,431,673**	**5,690,265**
Loss for the financial period/year	**(16,539,036)**	**(3,037,237)**	**(12,449,864)**
Other comprehensive income/(loss) for the financial period/year	**(7,518,812)**	**669,099**	**–**
Total comprehensive loss for the financial period/year	**(24,057,848)**	**(2,368,138)**	**(12,449,864)**

2022	PWHQ RM	PMMMY RM
Revenue	8,998,590	11,921,781
Loss for the financial period/year	(11,103,285)	(3,282,747)
Other comprehensive income for the financial period/yea	1,111,855	–
Total comprehensive loss for the financial period/year	(9,991,430	(3,282,747)

9. INVESTMENT IN JOINT VENTURE COMPANIES

	Group	
	30.06.2024 RM	31.12.2022 RM
In Malaysia		
Unquoted share, at cost	**430,000**	400,092
Share of post-acquisition reserves	**(150,876)**	(45,173)
	279,124	354,919

Details of the joint venture is as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2022 %	
Indirect Holding				
Held through Presto Universe Sdn. Bhd. ("PRUMY")				
Colorverse Malaysia Sdn Bhd *(formerly known as Presto Color Sdn Bhd)*^	Malaysia	**40**	40	Integrated payment solutions, digital and E-business
Presto Assure Sdn. Bhd.^	Malaysia	**70**	40	E-Content, E-Commerce and E-Merchant business, and end-to end media and advertising solutions
Presto Plus Sdn. Bhd.^	Malaysia	**30**	30	E-marketing and promoting of intellectual property licensing and merchandising of IP products and services

^ *Not audited by UHY Malaysia*

(i) On 3 April 2023 and 26 January 2024, Presto Universe Sdn. Bhd. ("PRUMY"), a wholly-owned subsidiary of the Company acquired 4,000 and 48,000 ordinary shares, representing additional of 30% equity interest in Presto Assure Sdn. Bhd. ("PRAMY"), has increased its equity interest from 40% to 70%, for a total consideration of RM199,910 and RM1 only.

As a result, PRAMY become a subsidiary to the Company as disclosed in Note 7.

Notes to the Financial Statements (cont'd)

30 June 2024

9. INVESTMENT IN JOINT VENTURE COMPANIES

(ii) On 14 March 2023, Presto Plus Sdn. Bhd. ("PPSMY"), a joint venture of PRUMY, a wholly-owned subsidiary of the Company has increased its paid-up share capital from 60,000 to 100,000 ordinary shares. PRUMY has subscribed for an additional 12,000 ordinary shares in PPSMY for a total cash consideration of RM29,998 only.

As a result, PPSMY remained 30% owned joint-venture of PRUMY.

(iii) In previous financial year, 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.

(iv) In previous financial year, 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 CTSB and KLCSB over PPSMY.

As a result, PPSMY 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 2023	**32,583,291**	**21,152,066**	**17,109,600**	**16,422,950**	**87,267,907**
Additions	**–**	**–**	**–**	**150,000**	**150,000**
Reclassification to asset held for sales	**–**	**–**	**–**	**(2,020,070)**	**(2,020,070)**
At 30 June 2024	**32,583,291**	**21,152,066**	**17,109,600**	**14,552,880**	**85,397,837**
Accumulated amortisation					
At 1 January 2023	**–**	**–**	**1,853,540**	**7,039,026**	**8,892,566**
Charge for the financial year	**–**	**–**	**–**	**799,355**	**799,355**
Reclassification to asset held for sales	**–**	**–**	**–**	**(1,329,378)**	**(1,329,378)**
At 30 June 2024	**–**	**–**	**1,853,540**	**6,509,003**	**8,362,543**
Accumulated impairment loss					
At 1 January 2023/ 30 June 2024	**32,583,291**	**21,152,066**	**15,256,060**	**7,963,877**	**76,955,294**
Net carrying amount					
At 30 June 2024	**–**	**–**	**–**	**80,000**	**80,000**

Notes to the Financial Statements (cont'd)

30 June 2024

10. INTANGIBLE ASSETS (CONT'D)

	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

(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.

(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.

(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.

10. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill on consolidation (cont'd)

(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:

	30.06.2024	31.12.2022
Growth rate	**14.3%**	30.0%
Pre-tax discount rate	**10.0%**	15.0%

(1) Growth rate – The growth rate is based on industry growth forecasts and expected market share forecasts.

(2) Pre-tax discount rate – The rate that reflect specific risks relating to the relevant CGU.

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 period, 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 RMNil (2022: RM3,435,684), 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 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.

Notes to the Financial Statements (cont'd)

30 June 2024

11. OTHER INVESTMENTS

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Non-current					
At FVOCI					
Unquoted shares	(a) (b)	–	11,666,100	–	11,666,000
Current					
At FVTPL					
Investment in mutual fund	(c)	**2,838**	2,732	**2,837**	2,731
		2,838	11,668,832	**2,837**	11,668,731

(a) Disposal of other investments

On 3 April 2024, Presto Universe Sdn. Bhd. ("PRUMY"), a wholly-owned subsidiary of the Company disposed its 10% shareholding of Presto E-Office Sdn. Bhd. for a total cash consideration of RM100 only.

(b) Additions of other investments

(i) In previous financial year, PRUMY purchased 100 shares representing 10% shareholding in Presto E-Office Sdn. Bhd., with a total cash consideration of RM100.

(ii) In previous financial year, 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 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.

(c) 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
	31.12.2022 RM
Minimum lease receivables:	
Within 1 year	56,250
Less: Future interest income	(1,129)
	55,121
Present value of minimum lease receivables:	
Within 1 year	55,121
Analysed as:	
Current portion	55,121

Future interest income of finance lease receivables is ranging from Nil (2022: 1.02%) per annum.

13. CONTRACT ASSET/(LIABILITIES)

	Group	
	30.06.2024 RM	31.12.2022 RM
Contract assets		
Deferred cost	**2,354,826**	99,930
Contract liabilities		
Deferred revenue	**(3,071,252)**	(451,803)
Revenue recognised that was included in the contract liabilities at the beginning of the financial period/year	**451,803**	329,654

(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 represent 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.

Notes to the Financial Statements (cont'd)

30 June 2024

14. TRADE RECEIVABLES

	Group	
	30.06.2024 RM	31.12.2022 RM
Trade receivables		
– Third parties	**26,394,110**	44,179,598
– Related party	**2,673,659**	3,703,222
	29,067,769	47,882,820
Less: Accumulated impairment losses	**(26,291,766)**	(33,760,398)
	2,776,003	14,122,422

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 (2022: 30 to 180 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	Lifetime allowance RM	Credit impaired RM	Total RM
Group			
At 1 January 2023	**11,841,716**	**21,918,682**	**33,760,398**
Impairment loss recognised	**2,659,133**	**1,520,103**	**4,179,236**
Reversal of impairment losses	**(11,070,922)**	**(576,946)**	**(11,647,868)**
At 30 June 2024	**3,429,927**	**22,861,839**	**26,291,766**
At 1 January 2022	2,428,816	22,145,759	24,574,575
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	11,841,716	21,918,682	33,760,398

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.

14. 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			
30.06.2024			
Not past due	**612,790**	**(4,578)**	**608,212**
Past due:			
Less than 30 days	**47,995**	**(5,084)**	**42,911**
31 to 60 days	**209,660**	**–**	**209,660**
61 to 90 days	**59,933**	**(6,405)**	**53,528**
91 to 120 days	**1,223,044**	**(328,334)**	**894,710**
More than 90 days	**4,052,508**	**(3,085,526)**	**966,982**
	5,593,140	**(3,425,349)**	**2,167,791**
Credit impaired:			
Individually impaired	**22,861,839**	**(22,861,839)**	**–**
	29,067,769	**(26,291,766)**	**2,776,003**
31.12.2022			
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	20,110,852	(11,707,679)	8,403,173
	20,457,084	(11,841,716)	8,615,368
Credit impaired:			
Individually impaired	21,918,682	(21,918,682)	–
	47,882,820	(33,760,398)	14,122,422

Trade receivables that are not past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2024, trade receivables of the Group of RM2,167,791 (2022: RM8,615,368) 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 RM22,861,839 (2022: RM21,918,682), relates to customers that are in financial difficulties or have defaulted on payments.

Notes to the Financial Statements (cont'd)

30 June 2024

15. OTHER RECEIVABLES

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Other receivables		**3,494,416**	3,370,952	**209**	56,360
Amount due from associates	(a)	**18,212,643**	7,585,574	**17,369,140**	6,992,582
Amount due from joint venture companies	(b)	**346,846**	258,508	**346,846**	193,708
		22,053,905	11,215,034	**17,716,195**	7,242,650
Less:					
Accumulated impairment losses		**(4,240,865)**	(4,338,180)	**(1,279,547)**	(1,327,404)
		17,813,040	6,876,854	**16,436,648**	5,915,246
Deposits		**57,826**	90,215	**4,000**	4,000
Prepayments	(c)	**2,901,216**	211,519	**38,778**	18,155
		20,772,082	7,178,588	**16,479,426**	5,937,401
		20,772,082	7,178,588	**16,479,426**	5,937,401

(a) Amount due from associates represents unsecured, non-interest bearing advances and repayable on demand except for interest bearing loan amounted to RM1,324,980 (2022: RM6,212,000) at rates ranging from 4.45% to 4.77% (2022: RM2.93% to 4.67%).

(b) Amount due from joint venture companies represents unsecured, non-interest bearing advances and repayable on demand except for interest bearing loan amounted to RM305,000 (2022: RM32,000) at rates ranging from 4.45% to 4.77% (2022: 2.93% to 4.67%).

(c) Included in the Group's prepayments is a marketing fee amounting to RM2,880,000 (2022: Nil) to promote Presto platform.

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
At 1 January	**4,338,180**	2,707,734	**1,327,404**	52,399
Impairment loss recognised	**239,985**	1,630,446	**–**	1,275,005
Reversal of impairment losses	**(337,300)**	–	**(47,857)**	–
At 31 December/30 June	**4,240,865**	4,338,180	**1,279,547**	1,327,404

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.

16. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

	Note	Company	
		30.06.2024 RM	31.12.2022 RM
Non-trade			
Interest bearing	(i)	**12,787,976**	14,346,480
Non-interest bearing	(ii)	**177,811,552**	172,157,052
		190,599,528	186,503,532
Less: Accumulated impairment losses		**(190,599,528)**	(121,211,677)
		–	65,291,855

(i) This represents unsecured, interest bearing loan at rates ranging from 4.40% to 4.71% (2022: 1.44% to 5.25%) 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	
	30.06.2024 RM	31.12.2022 RM
At 1 January	**121,211,677**	11,107,712
Impairment loss recognised	**72,438,356**	115,834,805
Impairment loss reversed	**(3,050,505)**	(5,730,840)
At 31 December/30 June	**190,599,528**	121,211,677

(b) Amount due to subsidiary companies

This represents unsecured, non-interest bearing, non-trade in nature and repayable on demand.

17. AMOUNT DUE FROM RELATED COMPANIES

These represents non-trade in nature, unsecured, non-interest bearing and are repayment on demand.

Notes to the Financial Statements (cont'd)

30 June 2024

18. DEPOSITS, BANK AND CASH BALANCES

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Cash and bank balances	(a)	**602,210**	1,500,602	**4,109**	21,654
Fixed deposits with licensed banks	(b)	**791,406**	761,825	**–**	–
		1,393,616	2,262,427	**4,109**	21,654

(a) Included in cash and bank balances of the Group are monies held-in-trust amounting to RM59,395 (2022: RM58,958). 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 RM791,406 (2022: RM761,825) 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 1.94% (2022: 1.79%) per annum and 365 days (2022: 365 days) respectively.

19. ASSETS CLASSIFIED AS HELD FOR SALE

	Software development expenditure RM	Intangible assets RM	Other investments RM	Total RM
Group				
30.06.2024				
Cost	**59,361,461**	690,692	**11,666,000**	71,718,153
Less: Accumulated impairment losses	**(346,528)**	–	**–**	(346,528)
	59,014,933	690,692	**11,666,000**	71,371,625
Company				
30.06.2024				
Cost	**–**	–	**11,666,000**	11,666,000

19. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

(a) On 30 June 2024, the Group through its wholly own subsidiary, Presto Technology Sdn. Bhd. ("PTSB") entered into Sale and Purchase Agreement ("SPA") with G Solution Tech Sdn. Bhd. to dispose some of the software and intellectual property, namely Peer-to-peer Lending, Credit System, Business Intelligence Solution; F&B Software; Queuing System, Media Management Portal, Social Media Purchasing System, Presto Power Integration, Presto Travel System and App Tracking System for total consideration of RM22 million, of which the condition precedents have yet to be satisfied as at 30 June 2024. As at date of report, a non-refundable deposit of RM1.76 million have been received by the Group.

(b) On 01 June 2024, the Company had received an offer letter in relation to acquisition of 1,177 ordinary shares in NKL360 Malaysia Sdn. Bhd.. On 11 September 2024, the Company has entered into Shares Sale Agreement with an individual purchaser for the proposed acquisition for total consideration of RM11.7 million. As at date of report, a non-refundable deposit of RM1 million have been received by the Company.

(c) On 03 June 2024, PTSB, had received an offer letter in relation to acquisition of software and intellectual property, namely Global Payment Accept System and Last Mile Logistic and Delivery Management. On 02 September 2024, PTSB has entered into SPA with Atoz Software Tech Sdn. Bhd. for the proposed acquisition for total consideration of RM7.5 million. As at date of report, a non-refundable deposit of RM750,000 have been received by the Group.

(d) On 03 June 2024, PTSB, had received an offer letter in relation to acquisition of software and intellectual property, namely Digital Mart System. On 02 September 2024, PTSB has entered into SPA with Alphatech Software Sdn. Bhd. for the proposed acquisition for total consideration of RM3 million. As at date of report, a non-refundable deposit of RM300,000 have been received by the Group.

(e) On 03 June 2024, PTSB, had received an offer letter in relation to acquisition of software and intellectual property, namely e-Commerce Data Mart, Loyalty Programme Management System, Loyalty Programme System, Integration of Loyalty Redemption with Partner Platform and Payment Gateway. On 11 October 2024, PTSB has entered into SPA with Grenapps Solutions Sdn. Bhd. for the proposed acquisition for total consideration of RM19.5 million. As at date of report, a non-refundable deposit of RM1.95 million have been received by the Group.

(f) On 28 June 2024, PTSB, had received an offer letter in relation to acquisition of software and intellectual property, namely E-Voucher Management & Digital Advertising Platform, IP Content for Streaming TV App Contents, Programme for e-Commerce promotion and Recurring Payment System. On 13 September 2024, PTSB has entered into SPA with YDL Global Events Sdn. Bhd. for the proposed acquisition for total consideration of RM7.7 million. As at date of report, a non-refundable deposit of RM770,000 have been received by the Group.

The carrying value of the asset held for sale is measured at fair value less costs to sell, amounting to RM71,371,625, based on the selling price established in a signed sale agreement with the buyer. The fair value was determined using observable inputs, specifically the agreed sale price from a signed agreement with an external counterparty, which reflects market conditions. In determining the fair value of the asset held for sale, management applied the selling price outlined in the signed agreement, as it represents the most reliable estimate of fair value at the reporting date. Adjustments were made only to account for estimated costs directly attributable to the sale transaction.

Notes to the Financial Statements (cont'd)

30 June 2024

20. SHARE CAPITAL

	Group			
	Number of shares		Amount	
	30.06.2024 Units	31.12.2022 Units	30.06.2024 RM	31.12.2022 RM
Issued and fully paid: ordinary shares				
At 1 January	**1,721,375,479**	1,428,973,443	**420,510,157**	392,935,979
Issuance of new shares pursuant to				
– Exercise of ESGS	**200,000,000**	–	**7,310,000**	–
– Exercise of ESOS	**–**	96,113,836	**–**	3,038,153
– Private placement	**546,412,000**	196,288,200	**16,392,360**	24,536,025
At 31 December/30 June	**2,467,787,479**	1,721,375,479	**444,212,517**	420,510,157

	Company			
	Number of shares		Amount	
	30.06.2024 Units	31.12.2022 Units	30.06.2024 RM	31.12.2022 RM
Issued and fully paid: ordinary shares				
At 1 January	**1,721,375,479**	1,428,973,443	**424,342,912**	396,768,734
Issuance of new shares pursuant to				
– Exercise of ESGS	**200,000,000**	–	**7,310,000**	–
– Exercise of ESOS	**–**	96,113,836	**–**	3,038,153
– Private placement	**546,412,000**	196,288,200	**16,392,360**	24,536,025
At 31 December/30 June	**2,467,787,479**	1,721,375,479	**448,045,272**	424,342,912

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

(i) 546,412,000 new ordinary shares pursuant to the private placement exercise at issue price RM0.03 per ordinary share;

(ii) 100,000,000 new ordinary shares pursuant to the offer and grant of Employees' Share Grant Scheme ("ESGS") at exercise price of RM0.0312 per ordinary share;

(iii) 100,000,000 new ordinary shares pursuant to the offer and grant of Employees' Share Grant Scheme ("ESGS") at exercise price of RM0.0419 per ordinary share.

In the previous 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;

20. SHARE CAPITAL (CONT'D)

The new ordinary shares issued during the financial period/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.

21. RESERVES

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	**30.06.2024 RM**	31.12.2022 RM
Distributable:					
Accumulated losses		**(279,347,136)**	(213,696,984)	**(400,595,367)**	(279,266,417)
Non-distributable:					
Other reserves	(a)	**(14,845,692)**	(14,845,692)	**(16,714,974)**	(16,714,974)
Foreign currency translation reserve	(b)	**(1,383,486)**	(707,872)	**–**	–
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)	**(334,000)**	(334,000)
		(36,657,268)	(35,981,654)	**(334,000)**	(334,000)
		(316,004,404)	(249,678,638)	**(400,929,367)**	(279,600,417)

(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			
	30.06.2024 Units	31.12.2022 Units	**30.06.2024 RM**	31.12.2022 RM
Warrants-A				
At 1 January/31 December/30 June	**26,552,111**	26,552,111	**16,714,974**	16,714,974

Notes to the Financial Statements (cont'd)

30 June 2024

21. RESERVES (CONT'D)

(d) Warrants reserve (Cont'd)

Warrants reserve represent reserves allocated to free detachable warrants issued with bonus issue of ordinary shares.

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.

21. 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 30 June 2024, the total number of Warrants-A that remained unexercised were 26,552,111 (2022: 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.

22. BANK BORROWINGS

	Group	
	30.06.2024 RM	**31.12.2022 RM**
Non-current		
Secured		
Term loans I	**2,800,001**	3,145,434
Current		
Secured		
Term loans I	**1,652,393**	267,812
Unsecured		
Term loans II	**3,163,500**	–
	4,815,893	267,812
	7,615,894	3,413,246

The term loan I obtained from a licensed bank is secured by the following:

(i) legal charge over a freehold building as disclosed in Note 4; and
(ii) corporate guarantee by the Company.

Notes to the Financial Statements (cont'd)

30 June 2024

22. BANK BORROWINGS (CONT'D)

The weighted average interest rates per annum are as follows:

	Group	
	30.06.2024 %	31.12.2022 %
Term loans	**3.79 - 4.47**	3.17 - 4.17

The maturity analysis of bank borrowings of the Group at the end of the reporting period:

	Group	
	30.06.2024 RM	31.12.2022 RM
Within 1 year	**4,815,893**	267,812
Between 1 and 2 years	**263,777**	276,427
Between 2 and 3 years	**275,675**	285,318
Between 3 and 4 years	**288,110**	294,496
Between 4 and 5 years	**301,105**	303,968
After five years	**1,671,334**	1,985,225
	7,615,894	3,413,246

The Group has bank guarantee facility of RM750,000 (2022: RM750,000). This facility is secured by fixed deposit placement as disclosed in Note 19(b).

23. TRADE PAYABLES

The normal trade credit terms of the Group range from 30 to 90 days (2022: 30 to 90 days) depending on the terms of the contracts.

24. OTHER PAYABLES

	Note	Group		Company	
		30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Other payables		**8,363,080**	3,974,950	**216,886**	54,832
Accruals		**3,157,543**	1,294,247	**534,264**	219,962
Deposits		**–**	5,700	**–**	–
E-money liabilities	(a)	**40,145**	40,257	**–**	–
		11,560,768	5,315,154	**751,150**	274,794

(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. LEASE LIABILITIES

	Group	
	30.06.2024 RM	**31.12.2022 RM**
At 1 January	**40,679**	82,796
Accretion of interest	**1,121**	3,483
Payment	**(41,800)**	(45,600)
At 30 June/31 December	**–**	40,679
Analysed as:		
Current	**–**	40,679

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group
	31.12.2022 RM
Within 1 year	**41,800**
Less: Future finance charges	**(1,121)**
	40,679

The Group leases buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

In prior financial year, the weighted average incremental borrowing rates applied to lease liabilities at the reporting date ranges are 5.47% per annum.

Notes to the Financial Statements (cont'd)

30 June 2024

26. REVENUE

Disaggregation of the Group's revenue from contracts with customers:

	Continuing operations		
	OmniChannel RM	Presto RM	Total RM
30.06.2024			
Revenue from contracts with customers:			
Sale of media and advertising services	**8,759,948**	**–**	**8,759,948**
Sale of software or hardware	**–**	**17,509,263**	**17,509,263**
Rendering of services	**–**	**666,489**	**666,489**
Transaction fees	**–**	**112,049**	**112,049**
	8,759,948	**18,287,801**	**27,047,749**
Revenue from other source			
Lease income	**–**	**1,129**	**1,129**
Total revenue	**8,759,948**	**18,288,930**	**27,048,878**

	Continuing operations		
	OmniChannel RM	Presto RM	Total RM
30.06.2024			
Geographical market:			
Malaysia	**8,759,948**	**2,938,930**	**11,698,878**
People's Republic of China and Hong Kong	**–**	**15,350,000**	**15,350,000**
	8,759,948	**18,288,930**	**27,048,878**
Timing of revenue recognition:			
At a point in time	**–**	**15,350,000**	**15,350,000**
Over time	**8,759,948**	**2,938,930**	**11,698,878**
	8,759,948	**18,288,930**	**27,048,878**

26. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers: (cont'd)

	Continuing operations		
	OmniChannel RM	Presto RM	Total RM
31.12.2022			
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

	Continuing operations		
	OmniChannel RM	Presto RM	Total RM
31.12.2022			
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

As of the reporting date, revenue expected to be recognised in the future relating to performance obligation that are unsatisfied (or partially unsatisfied) is RM3,071,252 (2022: RM451,803). The Group expects to recognise this revenue when the performance obligation is satisfied, which is expected to occur over the next 12 months.

Notes to the Financial Statements (cont'd)

30 June 2024

27. FINANCE COSTS

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Interest expenses on:				
– Borrowings	**1,079,664**	124,820	**–**	–
– Lease liabilities	**1,121**	3,483	**–**	–
– Redeemable preference shares	**775,000**	–	**–**	–
	1,855,785	128,303	**–**	–

28. LOSS BEFORE TAX

Loss before tax is arrived after charging/(crediting):

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Auditors' remuneration:				
– Statutory audit				
– UHY Malaysia	**281,000**	184,500	**123,000**	75,000
– Other auditors	**59,029**	54,500	**–**	–
– Non-audit services	**5,000**	5,000	**5,000**	5,000
Amortisation of:				
– Software development expenditure	**14,788,475**	12,512,716	**–**	–
– Intangible assets	**799,355**	2,009,847	**–**	–
Depreciation of:				
– Property, plant and equipment	**302,942**	913,512	**67,090**	80,076
– Right-of-use assets	**39,510**	43,101	**–**	–

28. LOSS BEFORE TAX (CONT'D)

Loss before tax is arrived after charging/(crediting): (cont'd)

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Dividends received from mutual funds	**(106)**	(42)	**(106)**	(42)
Fair value loss of other investments	**–**	334,000	**–**	334,000
Loss on deconsolidation of subsidiaries	**(4,158)**	15,372	**16,698,526**	–
Loss on disposal of:				
Impairment loss on:				
– Investment in subsidiaries	**–**	–	**52,230,858**	42,492,385
– Investment in associates	**30,869,877**	–	**–**	–
– Intangible assets	**346,528**	3,435,684	**–**	–
– Other receivables	**239,985**	1,630,446		1,275,005
– Trade receivables	**4,179,236**	9,412,900	**–**	–
– Amount due from subsidiaries	**–**	–	**72,438,356**	115,834,805
Interest income on:				
– Deposits with licensed financial institutions	**(30,212)**	(42,421)	**–**	(15,089)
– Loan interest income from subsidiaries	**–**	–	**(2,237,974)**	(1,527,727)
– Loan interest income from an associates	**–**	(406,702)	**–**	–
Lease expenses relating to short-term leases	**800,565**	385,974	**–**	–
Loss/(Gain) on foreign exchange:				
– Realised	**93,124**	(177,287)	**(40)**	–
– Unrealised	**(286,522)**	(547,032)	**(392,231)**	(356,357)
Rental income	**(837,000)**	(150,000)	**–**	–
Reversal of impairment loss on:				
– Other receivables	**337,300**	–	**–**	–
– Trade receivables	**(11,647,868)**	(227,011)	**–**	–
– Amount due from subsidiaries	**–**	–	**(3,050,505)**	(5,730,840)
– Investment in subsidiaries	**–**	–	**(23,289,069)**	–
Share-based payment expenses	**7,310,000**	395,022	**4,190,000**	395,022
Written off of				
– Property, plant and equipment	**–**	100,000	**–**	–
– Software development expenditure	**–**	1,100,000	**–**	–
– Intangible assets	**–**	2,612,500	**–**	–
– Inventories	**–**	3,032	**–**	–
– Other receivables	**–**	–	**–**	–
– Trade receivables	**6,187**	66	**–**	–

Notes to the Financial Statements (cont'd)

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29. TAXATION

	Group		Company	
	30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Tax expense recognised in profit or loss				
Malaysia statutory tax:				
Current tax	**61,749**	37,660	**–**	–
Underprovision in prior periods/years	**1,106**	(8,853)	**–**	6,449
	62,855	28,807	**–**	6,449
Deferred tax:				
Relating to origination and reversal of timing differences	**–**	(96,909)	**–**	–
Underprovision in prior periods/years	**–**	96,909	**–**	–
	–	–	**–**	–
	62,855	28,807	**–**	6,449

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial period/year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

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	
	30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Loss before tax	**(65,591,811)**	(53,534,524)	**(121,328,950)**	(155,164,494)
At Malaysian statutory tax rate of 24%	**(15,742,035)**	(12,848,286)	**(29,118,948)**	(37,239,479)
Effect of share of results of associates and joint venture companies	**850,220**	983,017	**–**	–
Income not subject to tax	**(1,126,657)**	(5,396,183)	**(1,745,688)**	(1,745,687)
Expenses not deductible for tax purposes	**9,797,350**	1,149,076	**30,864,636**	38,985,166
Tax exemption on foreign income	**–**	9,176,851	**–**	–
Different tax rates in foreign jurisdictions	**–**	(35,694)	**–**	–
Utilisation of previously unrecognised tax and unabsorbed capital allowance	**(137,167)**	(33,093)	**–**	–
Deferred tax assets not recognised	**6,420,038**	6,945,063	**–**	–
Underprovision of income tax in prior periods/years	**1,106**	(8,853)	**–**	6,449
Underprovision of deferred tax in prior periods/years	**–**	96,909	**–**	–
Tax expense for the financial periods/years	**62,855**	28,807	**–**	6,449

29. TAXATION (CONT'D)

Deferred tax assets not recognised arising from unutilised capital allowance, unused tax losses and other temporary differences. The estimated amounts are as follows:

	Group	
	30.06.2024 RM	**31.12.2022 RM**
Unutilised capital allowances	**47,643,497**	29,108,834
Unused tax losses	**60,631,099**	44,856,945
Deductible temporary of differences in respect expenses	**463,379**	8,593,566
	108,737,975	82,559,345

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.

The unutilised tax losses can only be carried forward until the following years of assessment.

	Group	
	30.06.2024 RM	**31.12.2022 RM**
Unutilised tax losses to be carried forward until:		
– Year of assessment 2028	**8,576,789**	9,037,083
– Year of assessment 2029	**7,996,679**	7,996,679
– Year of assessment 2030	**10,169,436**	10,169,436
– Year of assessment 2031	**14,208,908**	14,208,908
– Year of assessment 2032	**14,747,152**	3,444,839
– Year of assessment 2034	**4,932,135**	–
	60,631,099	44,856,945

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.

Notes to the Financial Statements (cont'd)

30 June 2024

30. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial period/year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group	
	30.06.2024 RM	31.12.2022 RM
Loss attributable to owners of the parent	**(65,650,152)**	(53,563,331)

	Units	Units
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	**1,721,375,479**	**1,428,973,443**
Effect of private placement	**257,722,662**	**159,461,769**
Effect of exercise of ESOS	**–**	**15,635,333**
Effect of share-based settlement	**118,976,234**	**–**
Weighted average number of ordinary shares in issue at 30 June/31 December	**2,098,074,375**	**1,604,070,545**
Basic loss per share (sen)	**(3.13)**	**(3.34)**

(b) Diluted loss per share

Diluted loss per share is calculated based on the adjusted consolidated loss for the financial period/year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial period/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 period/year exceeds the exercise price of the Warrants and ESOS.

31. STAFF COSTS

	Group		Company	
	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 30.06.2024 RM	01.01.2022 to 31.12.2022 RM
Salaries and other emoluments	**9,764,101**	8,009,693	**671,000**	440,000
Defined contribution plans	**1,102,145**	919,724	**–**	–
Social security costs	**89,147**	93,808	**1,114**	643
Other benefits	**568,072**	344,938	**26,216**	16,507
	11,523,465	9,368,163	**698,330**	457,150

32. 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 term loan (Note 22) RM	At 31 December 30 June RM
Group					
30.06.2024					
Lease liabilities	25	**40,679**	**(40,679)**	**–**	**–**
Borrowings	22	**3,413,246**	**(752,352)**	**4,955,000**	**7,615,894**
		3,453,925	**(793,031)**	**4,955,000**	**7,615,894**
31.12.2022					
Lease liabilities	25	**82,796**	**(42,117)**	**–**	**40,679**
Borrowings	22	**3,649,138**	**(235,892)**	**–**	**3,413,246**
		3,731,934	**(278,009)**	**–**	**3,453,925**

(i) The financing cash flows represents the repayments of lease liabilities and borrowings in the statements of cash flows.

33. 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.

Notes to the Financial Statements (cont'd)

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33. RELATED PARTY DISCLOSURES (CONT'D)

(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:

	30.06.2024 RM	31.12.2022 RM
Group		
Transactions with associates		
Loan interest income received/receivable	**–**	406,702
Rendering of services received/receivable	**801,534**	4,000
Rendering of services paid/payable	**(35,000)**	–
Rental of premises received/receivable	**135,000**	85,200
Transaction fees received/receivable	**47,231**	98,455
Transaction fees paid/payable	**(3,849)**	(18,168)
Transactions with associates		
Rental of premises received/receivable	**50,700**	–
Loan interest income received/receivable	**–**	10,082
Company		
Transactions with subsidiary companies		
Loan interest income received/receivable	**2,237,974**	1,110,942
Management fee paid/payable	**(1,538,267)**	(1,425,076)

(c) Compensation of key management personnel

Remuneration of Directors and key management personnel are as follows:

	Group		Company	
	30.06.2024 RM	31.12.2022 RM	30.06.2024 RM	31.12.2022 RM
Directors' fee	**552,763**	305,278	**504,263**	290,278
Salaries and other emoluments	**594,000**	440,000	**594,000**	440,000
Social security costs	**1,114**	643	**1,114**	643
Other benefits	**4,216,216**	16,507	**4,216,216**	16,507
	5,364,093	762,428	**5,315,593**	747,428

(d) During the year, Kai Feng (Shanghai) Limited repurchased software from Enovax Malaysia Sdn Bhd, which it had previously developed and sold to Presto Technology Sdn Bhd. for a total consideration of RM3.5million. The transaction was driven by Kai Feng (Shanghai) Limited's decision to discontinue its internal software development capabilities. As a result, Kai Feng (Shanghai) Limited repurchased the software at a premium, reflecting the fair value of the software at the time of repurchase, which was higher than its original selling price.

Similarly, during the year, Beijing Youqutianxia Information Technology Co Ltd (BYIT) repurchased software from Enovax Malaysia Sdn Bhd, which it had previously developed and sold to Presto Technology Sdn. Bhd. for a total consideration of RM11.85million BYIT's decision to repurchase was also due to the discontinuation of its internal development capabilities, resulting in a repurchase at a premium that reflects the current fair value of the software, which is higher than its original selling price.

34. 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.

	Note	Continuing operations			Adjustments and eliminations RM	Consolidated RM
		OmniChannel RM	Presto RM	Others RM		
30.06.2024						
Revenue						
External customers		**8,759,948**	**18,209,548**	**79,382**	**–**	**27,048,878**
Inter segment		**–**	**2,916,935**	**3,539,495**	**(6,456,430)**	**–**
Total revenue		**8,759,948**	**21,126,483**	**3,618,877**	**(6,456,430)**	**27,048,878**
Segment results						
Interest income		**30,166**	**1,553**	**2,238,073**	**(2,033,232)**	**236,561**
Finance costs		**(49,552)**	**(3,839,882)**	**(29,981)**	**2,063,630**	**(1,855,785)**
Depreciation and amortisation		**(70,359)**	**(383,472)**	**(15,502,930)**	**26,479**	**(15,930,282)**
Other non-cash item	(a)	**(35,626,277)**	**(2,206,164)**	**(93,410,122)**	**129,208,388**	**(2,034,175)**
Taxation		**–**	**(62,855)**	**–**	**–**	**(62,855)**
Share of result of associates, net of tax		**(1,780,603)**	**(1,611,104)**	**–**	**–**	**(3,391,707)**
Share of result of a joint ventures, net of tax		**–**	**(150,876)**	**–**	**–**	**(150,876)**
Assets						
Capital expenditure	(b)	**160,797**	**35,531,283**	**8,128**	**(288,798)**	**35,411,410**

Notes to the Financial Statements (cont'd)

30 June 2024

34. SEGMENT INFORMATION (CONT'D)

	Note	Continuing operations			Adjustments and eliminations	Consolidated
		OmniChannel RM	Presto RM	Others RM	RM	RM
31.12.2022						
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 a joint venture, 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

34. SEGMENT INFORMATION (CONT'D)

	30.06.2024 RM	31.12.2022 RM
Fair value loss of other investments	**–**	(334,000)
Impairment losses on:		
– Assets held for sale	**(346,528)**	(3,435,684)
– Investment in associates	**(30,869,877)**	–
– Other receivables	**(239,985)**	(1,630,446)
– Trade receivables	**(4,179,236)**	(9,412,900)
Reversal of impairment losses on:		
– Trade receivables	**11,647,868**	227,011
Unrealised gain on foreign exchange	**286,522**	547,032
Written off of:		
– Property, plant and equipment	**–**	(100,000)
– Software development expenditure	**–**	(1,100,000)
– Intangible assets	**–**	(2,612,500)
– Inventories	**–**	(3,032)
– Trade receivables	**(6,187)**	(66)
	(23,707,423)	(17,854,585)

(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.

(c) Geographic information

Revenue information based on the geographical location of customers respectively are as follow:

	30.06.2024 RM	31.12.2022 RM
Continuing operations		
Malaysia	**11,698,878**	9,860,938
Republic of Singapore	**–**	584,090
People's Republic of China and Hong Kong	**15,350,000**	8,800,320
	27,048,878	19,245,348

Notes to the Financial Statements (cont'd)

30 June 2024

34. SEGMENT INFORMATION (CONT'D)

(d) Major customers

Revenue from 2 (2022: 4) major customers amounted to RM15,350,000 (2022: RM12,050,646), arising from the OmniChannel segment.

Revenue from major customer with revenue equal or more than 10% of the Group's revenue are as follows:

	30.06.2024 RM	31.12.2022 RM
Customer A	**3,500,000**	4,950,000
Customer B	**11,850,000**	2,540,649
Customer C	**–**	3,691,905
Customer D	**–**	868,092
	15,350,000	12,050,646

35. 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				
30.6.2024				
Financial assets				
Other investments	**–**	**2,838**	**–**	**2,838**
Trade receivables	**2,776,003**	**–**	**–**	**2,776,003**
Other receivables	**17,870,866**	**–**	**–**	**17,870,866**
Deposits, bank and cash balances	**1,393,616**	**–**	**–**	**1,393,616**
	22,040,485	**2,838**	**–**	**22,043,323**
Financial liabilities				
Trade payables	**794,294**	**–**	**–**	**794,294**
Other payables	**11,520,623**	**–**	**–**	**11,520,623**
Borrowings	**7,615,894**	**–**	**–**	**7,615,894**
Amount due to directors	**3,519,406**	**–**	**–**	**43,379**
	23,450,217	**–**	**–**	**19,974,190**

35. 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
Group				
31.12.2022				
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	936,430	–	–	936,430
Other payables	5,274,897	–	–	5,274,897
Lease liabilities	40,679	–	–	40,679
Borrowings	3,413,246	–	–	3,413,246
Amount due to directors	43,379	–	–	43,379
	9,708,631	–	–	9,708,631

Notes to the Financial Statements (cont'd)

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35. 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				
30.06.2024				
Financial assets				
Other investments	**–**	**2,837**	**–**	**2,837**
Other receivables	**16,440,648**	**–**	**–**	**16,440,648**
Deposits, bank and cash balances	**4,109**	**–**	**–**	**4,109**
	16,444,757	**2,837**	**–**	**16,447,594**
Financial liabilities				
Other payables	**751,150**	**–**	**–**	**751,150**
Amount due to subsidiary companies	**28,596,753**	**–**	**–**	**28,596,753**
Amount due to directors	**86,866**	**–**	**–**	**86,866**
	29,434,769	**–**	**–**	**29,434,769**
31.12.2022				
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

35. 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 1 debtor (2022: 4 debtors) that accounted for approximately 84% (2022: 74%) 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 RM7,615,894 (2022: RM3,413,246). 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.

Notes to the Financial Statements (cont'd)

30 June 2024

35. 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						
30.06.2024						
Non-derivative financial liabilities						
Trade payables	**794,294**	**–**	**–**	**–**	**794,294**	**1,220,113**
Other payables	**11,520,623**	**–**	**–**	**–**	**11,520,623**	**11,520,623**
Borrowings	**4,945,736**	**382,236**	**1,146,708**	**1,860,653**	**8,335,333**	**7,615,894**
Amount due to directors	**3,519,406**	**–**	**–**	**–**	**3,519,406**	**3,519,406**
	20,780,059	**398,236**	**1,146,708**	**1,860,653**	**24,169,656**	**23,450,217**
Group						
31.12.2022						
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
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

35. 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			
30.06.2024			
Non-derivative financial liabilities			
Other payables	**751,150**	**751,150**	**751,150**
Amount due to subsidiary companies	**28,596,753**	**28,596,753**	**28,596,753**
Amount due to directors	**86,866**	**86,866**	**86,866**
Financial guarantee*	**7,615,894**	**7,615,894**	**–**
	37,050,663	**37,050,663**	**29,434,769**
31.12.2022			
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

* 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.

Notes to the Financial Statements (cont'd)

30 June 2024

35. 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				
30.06.2024				
Trade and other receivables	**24,784**	**2,089**	**–**	**26,873**
Cash and bank balances	**8,181**	**16,269**	**3,337**	**27,787**
Trade and other payables	**(23,703)**	**(293,084)**	**(8,000)**	**(324,787)**
	9,262	**(274,726)**	**(4,663)**	**(270,127)**
31.12.2022				
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

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	30.06.2024 Effect on loss before tax RM	31.12.2022 Effect on loss before tax RM
RMB	Strengthened 5% (2022:5%)	**463**	133,076
	Weakened 5% (2022:5%)	**(463)**	(133,076)
SGD	Strengthened 5% (2022:5%)	**(13,736)**	(6,188)
	Weakened 5% (2022:5%)	**13,736**	6,188
Others	Strengthened 5% (2022:5%)	**(233)**	1,062
	Weakened 5% (2022:5%)	**233**	(1,062)

35. 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	
	30.06.2024 RM	**31.12.2022 RM**
Fixed rate instruments		
Fixed deposits with licensed banks	**791,406**	761,825
Lease receivables	**–**	55,121
Lease liabilities	**–**	(40,679)
	791,406	76,267
Floating rate instruments		
Bank borrowings	**(7,615,894)**	(3,413,246)

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 RM76,159 (2022: RM34,132) 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.

Notes to the Financial Statements (cont'd)

30 June 2024

35. 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			Total fair value	Carrying amount
	Level 1 RM	Level 3 RM	Total RM	RM	RM
Group					
30.06.2024					
Financial assets					
Other investments	**2,838**	**–**	**2,838**	**2,838**	**2,838**
31.12.2022					
Financial assets					
Other investments	2,732	11,666,100	11,668,832	11,668,832	11,668,731
Company					
30.06.2024					
Financial assets					
Other investments	**2,837**	**–**	**2,837**	**2,837**	**2,837**
31.12.2022					
Financial assets					
Other investments	2,731	11,666,000	11,668,731	11,668,731	11,668,731

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.

36. FINANCIAL GUARANTEE

	Company	
	30.06.2024 RM	31.12.2022 RM
Financial guarantee given to a licensed bank for banking facility granted to a subsidiary company		
– Amount utilised	**7,615,894**	3,413,246

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.

37. 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	
	30.06.2024 RM	31.12.2022 RM
Lease liabilities	**–**	40,679
Borrowings	**7,615,894**	3,413,246
	7,615,894	3,453,925
Less: Cash and bank balances	**(602,210)**	(1,500,602)
Net debt/(cash)	**7,013,684**	1,953,323
Shareholders' equity	**128,208,113**	170,831,519
Debt-to-equity ratio (%)	**0.055**	0.011

There were no changes in the Group's approach to capital management during the financial period/year.

Notes to the Financial Statements (cont'd)

30 June 2024

38. 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.

38. 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 ended 31 December 2022

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 period/year

The following table illustrates the share options granted and exercised during the financial year:

Option shares	Exercise price	At 1 January	Granted	Exercised	At 31 December
Group					
31.12.2022					
Grant V	0.0275	–	21,132,784	(21,132,784)	–
Grant VI	0.0275	–	74,981,052	(74,981,052)	–

Notes to the Financial Statements (cont'd)

30 June 2024

39. SIGNIFICANT EVENTS

The following subsequent events took place for the Company and its subsidiary companies subsequent to the financial period:

(a) On 11 September 2024, the Company has entered into Shares Sale Agreement with an individual purchaser on disposal of 1,177 ordinary shares in NKL360 Malaysia Sdn. Bhd. for total consideration of RM11.7 million.

(b) On 02 September 2024, Presto Technology Sdn. Bhd. ("PTSB"), a wholly-owned subsidiary of the Group had entered into Sale and Purchase Agreement ("SPA") on disposal of its software and intellectual property, namely Global Payment Accept System and Last Mile Logistic and Delivery Management for total consideration of RM7.5 million.

(c) On 02 September 2024, PTSB, had entered into SPA on disposal of its software and intellectual property, namely Digital Mart System for total consideration of RM3 million.

(d) On 11 October 2024, PTSB, had entered into SPA on disposal of its software and intellectual property, namely e-Commerce Data Mart, Loyalty Programme Management System, Loyalty Programme System, Integration of Loyalty Redemption with Partner Platform and Payment Gateway for total consideration of RM19.5 million.

(e) On 13 September 2024, PTSB, had entered into SPA on disposal of its software and intellectual property, namely E-Voucher Management & Digital Advertising Platform, IP Content for Streaming TV App Contents, Programme for e-Commerce promotion and Recurring Payment System for total consideration of RM7.7 million.

(f) On 25 July 2024, Presto Universe Sdn. Bhd. ("PRUMY"), a wholly-owned subsidiary of the Company acquired 33.6 million ordinary shares, representing the entire equity interest in Presto Pay Sdn. Bhd. ("PRPMY"), a direct wholly-owned subsidiary of the Company for a total cash consideration of RM2 only. Consequently, PRPMY became a wholly-owned subsidiary of PRUMY.

40. CHANGED OF FINANCIAL YEAR END

On 26 December 2023, the Company changed its financial year end from 31 December to 30 June. The current financial statements of the Company are prepared for a period of eighteen (18) months from 1 January 2023 to 30 June 2024. The financial statements of the Company in the previous financial year are prepared for the financial period of twelve (12) months from 1 January 2022 to 31 December 2022. As a result, the comparative information stated in the statement of comprehensive income, statement of changes in equity and statement of cash flows and the related notes to the financial statements are not comparable.

41. 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 30 October 2024.

Notice of Annual General Meeting

PUC BERHAD

Registration No.: 199701036234 (451734-A)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the **Twenty-Sixth ("26th") Annual General Meeting ("AGM")** of the Company will be held at **Ballroom I, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor** on **Monday, 2 December 2024** 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 period ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of additional Non-Executive Directors' fees and benefits up to RM250,000 for the period from July 2024 until the 26th AGM. **(Ordinary Resolution 1)**

3. To approve the payment of Non-Executive Directors' fees and benefits up to RM400,000 from the 26th AGM until the next AGM of the Company. **(Ordinary Resolution 2)**

4. To re-elect the following Directors retiring pursuant to the Clause 85 of the Company's Constitution and being eligible, offer themselves for re-election.

   4.1 Mr. Cheong Chia Chou **(Ordinary Resolution 3)**
   4.2 Raja Zafura Binti Raja Zain **(Ordinary Resolution 4)**
   4.3 Mr. Fong Yew Meng **(Ordinary Resolution 5)**

5. 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. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider, and, if thought fit, to pass the following Resolutions:

6. **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 10 years be and is hereby retained as Independent Non-Executive Director of the Company." **(Ordinary Resolution 7)**

7. **Authority for Directors to Issue Shares in the Company pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights**

   "THAT pursuant to Sections 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;

Notice of Annual General Meeting (cont'd)

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 Clause 47 of 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."

(Ordinary Resolution 8)

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: 30 October 2024
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 26th AGM, the Company shall be requesting the Record of Depositors as at 25 November 2024. Only a depositor whose name appears on the Record of Depositors as at 25 November 2024 shall be entitled to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and vote in his/her stead.

Appointment of Proxy(ies)

1. *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.*
2. *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.*
3. *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.*
4. *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.*
5. *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 30 November 2024 at 3.00 pm*
6. *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. Ordinary Resolution 7 - 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 10 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. Ordinary Resolution 8 – Authority to issue shares in the Company 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 Sections 75 and 76 of the Act at the forthcoming 26th 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.

Up to the date of this notice, 180,900,333 ordinary shares were issued by way of private placement (**"Private Placement"**). Total proceeds of RM10,000,072.99 raised from the Private Placement has been fully utilised in accordance with the mandate of this exercise. The details of the Private Placement as follows:-

Number of Ordinary Shares	Issue Price Per Share (RM)	Amount (RM)
111,112,000	0.054	6,000,048.00
45,455,000	0.055	2,500,025.00
22,222,222	0.045	999,999.99
11,111,111	0.045	500,000.00
189,900,333		**10,000,072.99**

On 16 October 2023, 546,412,000 ordinary shares were issued by way of private placement pursuant to shareholders' approval via an Extraordinary General Meeting held on 26 June 2023. Total proceeds of RM16,392,360.00 raised from the Private Placement has been fully utilised in accordance with the mandate of the exercise. The details are as follows:-

Number of Ordinary Shares	Issue Price Per Share (RM)	Amount (RM)
546,412,000	0.030	16,392,360.00

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-Sixth ("26th") Annual General Meeting ("AGM")** of the Company to be held at Ballroom I, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor on Monday, 2 December 2024 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) Payment of Additional Non-Executive Directors' fees and benefits up to RM250,000 for the period from July 2024 until the 26th AGM				
2) Payment of Non-Executive Directors' fees and benefits up to RM400,000 from the 26th AGM until the next AGM of the Company				
3) To re-elect Mr. Cheong Chia Chou as Director				
4) To re-elect Raja Zafura Binti Raja Zain as Director				
5) To re-elect Mr. Fong Yew Meng as Director				
6) To re-appoint Messrs UHY as Auditors				
Special Business				
7) Retention of Liew Peng Chuen @ Liew Ah Choy as Independent Non-Executive Director				
8) Authority for Directors to Issue Shares in the Company pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights				

(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 _____, 2024

_____
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 26th AGM, the Company shall be requesting the Record of Depositors as at 25 November 2024. Only a depositor whose name appears on the Record of Depositors as at 25 November 2024 shall be entitled to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and vote in his/her stead.

Appointment of Proxy(ies)

1. *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.*
2. *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.*
3. *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.*
4. *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.*
5. *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 30 November 2024 at 3.00 pm.*
6. *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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POSTAGE

COMPANY SECRETARY

PUC BERHAD
(199701036234 (451734-A))

Level 15–2, Bangunan Faber
Imperial Court, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

fold here

PUC BERHAD
[199701036234 (451734-A)]

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