Holdings Berhad

Registration No. 200901034925 (878041-A)

ANNUAL REPORT 2020

CONTENTS

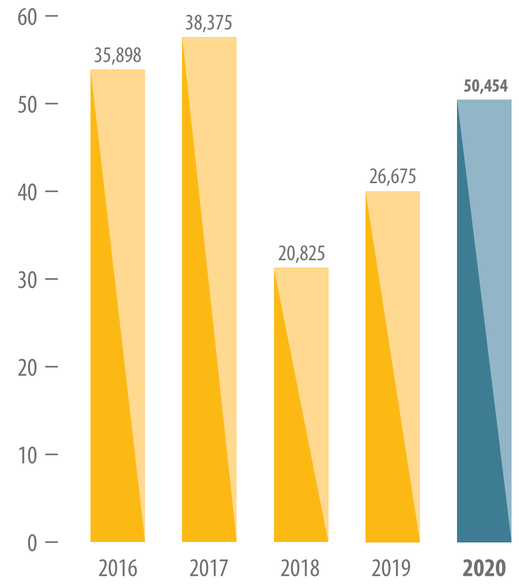
Group Financial Summary

(RM'000)	FPE 31.03.16	FYE 31.03.17	FYE 31.03.18	FYE 31.03.19	FYE 30.09.20
FINANCIAL RESULTS					
Revenue	35,898	38,375	20,825	26,675	50,454
Profit/(Loss) before tax	(32,307)	3,457	(7,845)	(50,059)	(51,375)
Profit/(Loss) attributable to equity holders	(31,551)	2,831	(7,902)	(50,530)	(53,879)
KEY BALANCE SHEET DATA					
Total Assets	138,902	142,112	170,940	185,050	135,130
Total Liabilities	9,153	9,495	7,815	8,966	12,404
Net assets attributable to equity holders	129,545	132,376	163,075	175,499	121,621
No. of shares in issue at year end ('000)	1,490,828	1,490,828	3,478,598	5,072,352	5,072,361
SHARES INFORMATION					
Basic earnings/(loss) per share (sen)	(2.44)	0.12 (@)	(0.34)	(1.02)	(1.06)
Net assets per share attributable to equity holders (RM)	0.09	0.09	0.05	0.04	0.02

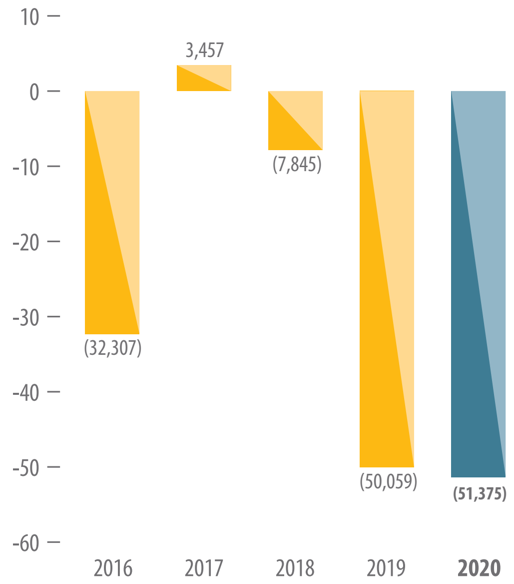
@ Adjusted for the Rights Issue completed in 2017

Financial Highlights (Continued)

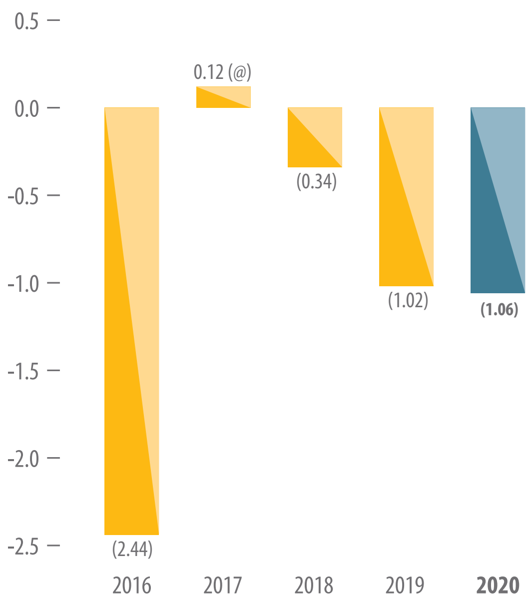
Revenue (RM'000)



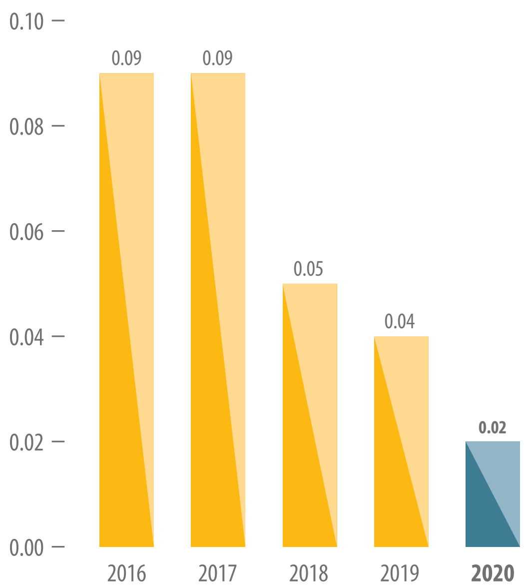
Profit/(Loss) Before Tax (RM'000)



Basic Earnings/(Loss) Per Share (sen)



Net Assets Per Share Attributable to Equity Holders (RM)



Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors of EA Holdings Berhad ("EAH"), I present to you the Annual Report and Audited Financial Statements of the Group for the financial period ended 30 September 2020 ("FPE 2020"). As announced on 13 March 2020, our financial year end had changed from 31 March 2020 to 30 September 2020. The financial period under review covered 18 months period from 1 April 2019 to 30 September 2020.

2020 has been an unprecedented year for the entire world. The Covid-19 pandemic has up-ended the way we live and work, and turned the business world upside down. When the Movement Control Order (MCO) was implemented on 18 March 2020, along with most businesses, we had to shut down our offices except for our F&B arm, as it fell under the "essential services" category. During the MCO, our F&B business operated as usual albeit with strict adherence to the SOP, and it had lessened the impact of this pandemic to the Group. For the other business segments, we have adopted work-from-home policy to ensure business continuity and to maintain close communication with our clients and business partners.

For the financial period under review, the ICT segment recorded strong improvement as we managed to win a new project amounting to RM 21.375 million. Notwithstanding the delay brought upon by the MCO, we are currently ramping up the project progress based on the revised schedule to mitigate the disruption and time loss as much as possible. Our management team is monitoring the situation closely and business recovery plans are in place for all of our business units. During the period, we continue to rationalize our operations to ensure cost efficiency and preserve our cash flow in order to help us ride through these challenging times and maintain long-term sustainability of our business. It was undoubtedly a challenging period for the Group as its financial performance was impacted by the weak and adverse economic conditions.

For the FPE 2020, the Group recorded revenue of RM50.5 million. This was mainly driven by the contribution from the F&B distribution segment amounting to RM30.3 million, which was equivalent to 60% of the Group's total revenue. There was also significant improvement from ICT Services segment, which contributed RM8.3 million (17% of the Group's total revenue). The Group recorded loss before tax of RM51.4 million, which was mainly attributable to the provision of impairment losses amounting to RM58.5 million in compliance with the approved accounting standards.

On behalf of the Board, I wish to express our gratitude to our staff for their dedication, diligence, professionalism and commitment to the Group. My deep gratitude also goes to my colleagues and the management team for their dedicated efforts and support through these years. I would also like to take this opportunity to convey our appreciation to our clients, business associates, shareholders and various stakeholders for their continued support and confidence in EAH.

Thank you.
Dato' Azahar bin Rasul
Chairman

Management Discussion And Analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Company was incorporated in Malaysia on 6 November 2009 under the name EA Holdings Sdn Bhd and subsequently converted into a public limited company on 19 February 2010 and assumed its present name.

Since the Group's successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 20 July 2010, the Group had expanded its structure and core business activities, which now comprises ICT Services, Software Solutions, Automation Systems and F&B Distribution. The Group is also involved in M&E engineering services for water supply and treatment plant and project management consultancy via its associate company, Cekap Air Sdn. Bhd.

FINANCIAL OVERVIEW

The Group had changed its financial year end from 31 March 2020 to 30 September 2020. Accordingly, the financial period under review covered 18 months period from 1 April 2019 to 30 September 2020.

The outbreak of the coronavirus (COVID-19) pandemic had affected all sectors of economic activities in Malaysia and the beyond. When the Movement Control Order (MCO) was implemented on 18 March 2020, along with most businesses, we had to shut down our offices except for our F&B arm, as it fell under the "essential services" category. During the MCO, our F&B business operated as usual albeit with strict adherence to the SOP, and it had lessened the impact of this pandemic to the Group. For the other business segments, we have adopted work-from-home policy to ensure business continuity and to maintain close communication with our clients and business partners.

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Cash reserves stood at RM30.6 million as at the end of the FPE 2020 compared to RM27.6 million as at the end of the FYE 2019.

SEGMENTAL OVERVIEW

	FPE 2020		FYE 2019		Changes	
	RM '000	%	RM '000	%	RM '000	%
ICT Services	8,338	16.5%	1,697	6.4%	6,641	391.3%
Software Solutions	4,471	8.9%	472	1.8%	3,999	847.2%
Automation Systems	7,326	14.5%	5,104	19.1%	2,222	43.5%
F&B Distribution	30,319	60.1%	19,402	72.7%	10,917	56.3%
Total	**50,454**	**100.0%**	**26,675**	**100.0%**	**23,779**	**89.1%**

ICT Services

ICT Services comprised system integration, application development, maintenance services and supply of ICT software and equipment. ICT services contributed 16.5% of the total revenue for the FPE 30.09.2020. During the financial period under review, ICT services won a new project amounting to RM 21.375 million, which is expected to be completed by November 2022.

SEGMENTAL OVERVIEW (Continued)

Software Solutions

Software Solutions segment comprised provision and maintenance of software applications such as, amongst others, e-Solutions, ICT consultancy services and Enterprise Resource Planning (ERP) solutions. The software solutions contributed 8.9% of the total revenue for the FPE 30.09.2020. The soft revenue was due to the weak market conditions as most companies were defraying or postponing new orders/additions while waiting for the economy to recover.

Automation Systems

The Automation Systems segment comprised RFID Access Control Systems ("RFID"), Building Management Systems ("BMS") Integrated Security Division ("ISD") and Mechanical and Electrical engineering services ("M&E"). The automation systems contributed 14.5% of the total revenue for the FPE 30.09.2020. The weak revenue was mainly attributable to lower sales and project roll-outs due to the weakened construction sector, as the products under this segment were usually used for installation in new buildings. In addition, the work progress on sites was affected as the project sites were closed during the MCO period.

F&B Distribution Segment

The F&B Distribution segment comprised selling and distribution of imported food items such as fruit juice, premium biscuits, canned fruits, jams and spreads, olive oil and vinegar as well as pasta, with approximately 150 brands which major brands include Basso, Baronia, SICA or SICA Tomatoes, Loreto, Trucillo, Bonomi, Kronos, D' Amico and etc. This segment contributed 60.1% of the total revenue for the FPE 30.09.2020 and continued to remain as the main contributor to the Group's revenue, which significantly helped to reduce the Group's dependence on ICT sector.

REVIEW OF OPERATING ACTIVITIES

The ICT services segment have always been dependent on the spending budget of the government linked companies ("GLCs") and statutory bodies, as they are our main customers. Consequently, the marked changes in spending by our main customers impacted the Group's performance. The stop-work order during the MCO period had also slow-down the work progress for software solutions and automation system segment. During the period, the F&B segment contributed RM30.3 million or 60.1% of the Group's revenue. This had significantly helped to reduce the Group's dependence on ICT sector.

The losses for the period are mostly due to impairment losses arising from compliance with the applicable accounting standards and have no impact on our operations and cashflow. Due to the prevailing market conditions, the Group had taken effective measures to mitigate the risks and conducted further cost cutting measures to ensure our overheads are at more manageable levels, such as freeze on salaries, minimal replacement for staff attrition and centralisation of offices and functions.

BUSINESS RISKS

2020 has been an unprecedented year for the entire world and the Covid-19 pandemic has up-ended the way we live and work, and turned the business world upside down. Growth has been slow during the year and affected all business segments of the Group. The lower spending by the major customers had led to increase in competition. Nonetheless, the Group strives to maintain our competitive edge by always delivering quality services to our existing customers and to always keep growing our customer base. A competent, knowledgeable and talented pool of employees will continue to be a key driver of the Group's business moving forward. In addition, the Group will continue to look for avenues to diversify and expand our business in order to reduce the reliance on the ICT industry. The Group will continuously review the cost structure and budget to improve the efficiency of the operational spending by keeping the overheads and expenses low in order to improve the business performance and profitability.

FUTURE PROSPECT

The COVID-19 pandemic, Movement Control Order ("MCO") and CMCO have impacted the economy activities and placed significant pressure on the business environment, stalling the economic recovery and weakening market conditions. We expect tougher operating conditions going forward as the market will take some time to recover to pre-MCO level and momentum.

We will continue to seek new business opportunities and new projects to expand the revenue base. In addition, we will continue to pursue our diversification strategy, which has proven to be effective as demonstrated by the acquisition of Sunland, to mitigate the reliance on the ICT market.

Company Profile

The Company was incorporated on 6 November 2009 under the name of EA Holdings Sdn Bhd and subsequently converted into a public limited company on 19 February 2010 and assumed its present name.

Since the Group's successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 20 July 2010, EA Holdings Group structure has expanded as follows :-

EA HOLDINGS BERHAD
Registration No. 200901034925 (878041-A)

100%
MURASAKI TECHNOLOGY SDN BHD
Registration No. 201301031936 (1061765-T)

100%
CSS MSC SDN BHD
Registration No. 200501033965 (716106-M)

100%
COLWYN BAY TECHNOLOGIES SDN BHD
Registration No. 201201040538 (1025016-V)

100%
EASS SDN BHD
Registration No. 200601028579 (748335-K)

100%
EA MSC SDN BHD
Registration No. 200801011256 (812544-M)

86%
DDSB (M) SDN BHD
Registration No. 199901012899 (487799-X)

90%
SUNLAND VOLONTE AGENCY SDN BHD
Registration No. 198501011316 (143768-A)

(Associate company)

20%
CEKAP AIR SDN BHD
Registration No. 200101029520 (565278-A)

Our Products

Corporate Information

BOARD OF DIRECTORS

Dato' Azahar bin Rasul
Chairman, Independent and Non-Executive Director

Mohammad Sobri bin Saad
Chief Executive Officer / Executive Director

Basir bin Bachik
Executive Director

Choo Seng Choon
Independent Non-Executive Director

Abdul Fattah bin Mohamed Yatim
Senior Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Choo Seng Choon *(Chairman)*

Dato' Azahar bin Rasul

Abdul Fattah bin Mohamed Yatim

NOMINATION COMMITTEE

Dato' Azahar bin Rasul *(Chairman)*

Choo Seng Choon

Abdul Fattah bin Mohamed Yatim

REMUNERATION COMMITTEE

Dato' Azahar bin Rasul *(Chairman)*

Choo Seng Choon

Abdul Fattah bin Mohamed Yatim

AUDITORS

Moore Stephens Associates PLT
(LLP0000963-LCA & AF002096)
Chartered Accountants
Unit 3.3A, 3rd Floor, Surian Tower,
No.1, Jalan PJU 7/3, Mutiara Damansara,
47810 Petaling Jaya, Selangor

COMPANY SECRETARY

Tan Kah Koon
SSM PC NO. 201908001500 (MAICSA 7066666)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(ACE Market)

PRINCIPAL BANKER

Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

REGISTERED OFFICE

29-2, Level 29, Oval Damansara,
685, Jalan Damansara,
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-2770 8163
Fax: 03-2770 8166

REGISTRAR

Insurban Corporate Services Sdn. Bhd.
149, Jalan Aminuddin Baki,
Taman Tun Dr Ismail,
60000 Kuala Lumpur
Tel: 03-7729 5529
Fax: 03-7728 5948

PRINCIPAL PLACE OF BUSINESS

Unit 25-5, Level 25,
Oval Damansara,
685, Jalan Damansara,
60000 Kuala Lumpur
Tel: 03-7733 9762
Fax: 03-7733 9765

Directors' Profile

Board of Directors

Name Of Members	Designation	Nationality
Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director	Malaysian
Mohammad Sobri bin Saad	Chief Executive Officer/Executive Director	Malaysian
Basir bin Bachik	Executive Director	Malaysian
Choo Seng Choon	Independent Non-Executive Director	Malaysian
Abdul Fattah bin Mohamed Yatim	Senior Independent Non-Executive Director	Malaysian

DATO' AZAHAR BIN RASUL

A Malaysian aged 58, male, Dato' Azahar was appointed as the Independent Non-Executive Director on 22 February 2010. He was appointed as the Chairman of the Company on 15 April 2013.

He obtained his Bachelor of Science Degree in Business Administration from Central Michigan University in 1988 and a Master of Science Degree in Accounting from the University of New Haven, Connecticut, USA in 1990. He has over 26 years of experience in the field of corporate accounting, finance, banking and administration. His last employment was with Land & General Berhad as its Senior Manager for Administration and Finance until 1995, when he left to set up set up his own business. Dato' Azahar also sits on the board of directors of Vivocom Intl Holdings Berhad.

Dato' Azahar attended all Board meetings held during his tenure in office for the financial period ended 30 September 2020. He has no family relationship with any director or substantial shareholder of the Company.

Dato' Azahar has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

MOHAMMAD SOBRI BIN SAAD

A Malaysian aged 60, male, Mohammad Sobri is the Group founder and was appointed as the Chief Executive Officer/ Executive Director on 6 November 2009. He is responsible for the operations, strategic planning and direction of our Group. He obtained his Bachelor of Science (Hons) Degree in Mathematics and Computing from The Polytechnic of Wales, Pontypridd, Wales, United Kingdom in 1984.

He started his career in various local corporations as well as multinational companies such as Harrisons Malaysian Plantation Berhad, Bank Simpanan Nasional and ESSO Malaysia Berhad who were users of ICT technologies like IBM, SAP and Oracle. He started a new phase of career to become a supplier of ICT technology by working and consulting in Infotech Consultants Pte Ltd, Singapore, Platinum Technology Inc, an US-based software company, Teliti Computers Sdn. Bhd., Swift Applications Sdn. Bhd. and EASS Sdn. Bhd. His experiences encompassed the usage of advance ICT technology supplied by IBM, Computer Network Technology Corporation, LANdesk Software Inc, ReadSoft and his clients comprised of large corporations in the banking industries, oil and gas, and utilities companies in Malaysia and the ASEAN region. He also sits on the Board of Directors of the subsidiary companies of the Group, namely EASS Sdn. Bhd., EA MSC Sdn. Bhd., CSS MSC Sdn. Bhd. and Colwyn Bay Technologies Sdn. Bhd.

Mohammad Sobri attended all Board meetings held during his tenure in office for the financial period ended 30 September 2020. He has no family relationship with any director or substantial shareholder of the Company.

Mohammad Sobri has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

BASIR BIN BACHIK

A Malaysian aged 62, male, Basir was appointed as the Executive Director of EA Holdings Berhad on 22 February 2010. He is also the Chief Operating Officer for ICT Services of the Group. He obtained his Bachelor of Science Degree in Computer Science from Edinburgh University, United Kingdom in 1982.

Basir has over 30 years of experience in the IT industry, serving both local and multinational companies such as Malaysian Airline System Berhad, ESSO Malaysia Berhad, IBM Singapore Pte Ltd, SHELL Refining Company (Federation of Malaya) Berhad, IBM Malaysia Sdn. Bhd., Petronas Group of companies and iPerintis Sdn. Bhd. He has also consulted for various financial institutions in Malaysia including Bank Simpanan Nasional and Permodalan Nasional Berhad. He started as a systems programmer, moving on to IT systems management to become a consultant specialising in ITIL. He has also managed large IT infrastructure projects for a petrochemical complex and a government agency. He is an accomplished system architect specialising in IT infrastructure. He is also a Director of DDSB (M) Sdn. Bhd. and CSS MSC Sdn. Bhd., which are subsidiary companies of the Group.

Basir attended all Board meetings held during his tenure in office for the financial period ended 30 September 2020. He has no family relationship with any director or substantial shareholder of the Company.

Basir has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

CHOO SENG CHOON

A Malaysian aged 46, male, Choo Seng Choon was appointed as the Independent Non-Executive Director of EA Holdings Berhad and Chairman of the Audit and Risk Management Committee on 15 November 2019. He is also a member of the Nomination Committee and Remuneration Committee of the Company.

Choo Seng Choon is a Chartered Accountant of the Malaysian Institute of Accountants, Fellow member of the Chartered Association of Certified Accountants (UK), a Chartered member of the Institute of Internal Auditors Malaysia and a Certified Internal Auditor. He also holds a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur.

Choo has over 25 year of professional and commercial experience in multi discipline that includes internal audit, risk management, performance and business management, IPOs, taxation, due diligence, corporate finance, business process re-engineering, investigations, corporate governance and financial audits. He has previously served as an adviser in the office of public listed conglomerate. He currently owns and manages his own corporate advisory firm that provides business advisory services to public, multi-national and private companies. Choo also sits on the board of directors of Vivocom Intl Holdings Berhad.

Choo attended all Board meetings held during his tenure in office for the financial period ended 30 September 2020. He has no family relationship with any director or substantial shareholder of the Company.

Choo has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

ABDUL FATTAH BIN MOHAMED YATIM

A Malaysian aged 64, male, Abdul Fattah was appointed as the Independent Non-Executive Director of EA Holdings Berhad on 22 February 2010. He was subsequently appointed as a member of the Audit and Risk Management Committee on 13 August 2010. He is also a member of the Nomination Committee and Remuneration Committee of the Company.

Abdul Fattah obtained his Bachelor of Science Degree in Electronic and Electrical Engineering from Loughborough University of Technology, United Kingdom in 1978. He practised engineering with the National Electricity Board (now known as Tenaga Nasional Berhad) where he specialised in engineering software development and simulation and long range transmission planning. From 1983, he served in professional and senior management positions in Esso Production Malaysia Incorporated, including a two year foreign assignment in Exxon companies in USA and UK. He then worked in System Consultancy Services Sdn. Bhd. from 1996 where he was a consultant to the Malaysian Armed Forces.

From 2003 to present, Abdul Fattah has been a consultant in several consulting companies providing ICT consulting services on various aspects of ICT such as strategic planning, project management, application delivery, security, business continuity planning, personal data protection and block chain to clients in the public and private sectors. He is presently an independent consultant. He was a council member in the Institutions of Engineers Malaysia. He is also a Professional Member of the Organisation of Islamic Countries – Computer Emergency Response Team (OIC-CERT).

Abdul Fattah attended all Board meetings held during his tenure in office for the financial period ended 30 September 2020. He has no family relationship with any director or substantial shareholder of the Company.

Abdul Fattah has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

Corporate Governance

The Board of Directors of EA Holdings Berhad is fully committed towards ensuring that the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 ("the Code") are applied and practiced by the Group to deliver long term sustainable value to the shareholders and stakeholders.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

I. Board of Directors' Duties and Responsibilities

The Board has overall responsibility for the corporate governance, proper conduct and strategic direction of the Group. The Board delegates authority and vests accountability for the Group's day to day operations with a management team led by the Group's CEO, En. Mohammad Sobri bin Saad. The Board, however, assume responsibility for the following areas :-

a) Reviewing and adopting a strategic plan for the Group;

b) Overseeing the conduct of the Group of the Group's business to evaluate whether the business is being properly managed;

c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

d) Succession planning;

e) Developing and implementing an investor relations programme and shareholder communications policy for the Group; and

f) Reviewing the adequacy and the integrity of the Group's internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

II. Chairman

The Chairman of the Board, Dato' Azahar bin Rasul is an Independent Non-Executive Director. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, which is fully defined in the Board Charter.

III. Separation in the role of Chairman and CEO

The roles and responsibilities of the Chairman of the Board and the CEO are exercised by different individuals, and are clear and distinct. The Chairman's primary role is to lead and manage the Board, which would include, amongst others, leading the Board in the oversight of the management, ensuring the integrity of the corporate governance process and issues, guiding and mediating Board actions with respect to organisational priorities and governance concerns.

The CEO is responsible for the development and implementation of strategy, overseeing and managing the day to day operations of the Group, such as, amongst others, developing long-term strategic and short-term cash flow plans, directing and controlling all aspects of business operations, overseeing the human resources need of the Group and ensuring compliance with all governmental procedures and regulations.

IV. Qualified and Competent Company Secretary

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of functions. The Company Secretary ensure that all Board meetings are properly convened, and accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. The Company Secretary also ensure that the Board policies and procedures are followed and rules and regulations, codes or guidance and legislations are complied with.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

1. Board Responsibilities (Continued)

V. Access to Information and Advice

All Board members have full and unrestricted access to information on the Group's business and affairs. All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informative decisions. Where required, senior management and external advisors are invited to attend these meetings to explain and clarify on matters tabled.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretaries as well as the senior management. Where necessary, the Board may obtain independent professional advice at the Company's expenses on the specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters tabled.

VI. Board Charter

In 2020, the Board had approved and adopted a Board Charter setting out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance as set out in the policy documents and guidelines issued by the regulatory authorities. The charter is regularly reviewed and updated to ensure its consistency with the Code. The Board Charter is available on EAH's corporate website at www.eah.com.my.

VII. Code of Conduct and Ethics

The Board has been guided by the Code of Conduct for Directors, Management and Officers of the Group, to promote the corporate culture which engenders ethical conduct that permeates throughout the Group to be in line with the MCCG. The Code of Ethics will require all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

VIII. Whistle Blowing Policy

The Board has established a Whistle-blowing Policy, available for viewing on the Company's website at www.eah.com.my. The Board is committed to promote and maintain a high standard of integrity, openness and accountability in the conduct of its businesses and operations. The Company provides avenue for employees and stakeholders to report and disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of the procedures as provided under this policy or any action that is or could be harmful to the reputation of the Group or compromise the interests of the shareholders, clients and the public, to the Company. This is also to provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality. Employees and stakeholders are encouraged to submit their reports and concerns to the Company via the Company's website and it will be attended to by the Board or the Senior Management, as the case may be.

IX. Anti-Bribery and Anti-Corruption Policy

In compliance with the requirement of S17A of the Malaysian Anti-Corruption Commission Act 2009, the Company has adopted the Anti-Bribery and Anti-Corruption Policy. The Group has established and implemented policies and procedures to prevent corruption practices and safeguard the integrity of the Company. The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.eah.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition

I. Composition and Board Balance

The Group is led and managed by a well-balanced Board which consists of members with wide range of business, technical and financial background in ensuring that the Group achieves the highest standard of performance, accountability and ethical behaviour as expected by the stakeholders.

The Board is made up of five (5) members, consisting of two (2) Executive Directors and three (3) Independent Non-Executive Directors as follows:

Name Of Members	Designation
Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director
Mohammad Sobri bin Saad	Chief Executive Officer/Executive Director
Basir bin Bachik	Executive Director
Choo Seng Choon	Independent Non-Executive Director
Abdul Fattah bin Mohamed Yatim	Senior Independent Non-Executive Director

The Board has a balanced composition of Executive and Non-Executive Independent Directors such that no individual or group of individuals can dominate the Board's decision making powers and processes. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of products. All the Directors have also complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

The profiles of the Directors are presented on page 10 to 11 of this annual report.

II. Tenure of Independent Director

According to MCCG, if the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. Dato' Azahar bin Rasul, Chairman, Independent Director and Abdul Fattah bin Mohamed Yatim, Independent Director have served the Board of EAH for more than nine (9) years. Their tenure of service is set out in the Profile of Board of Directors of this Annual Report.

The Board has via the NC conducted an annual performance evaluation and assessment on the Independent Directors and is of the opinion that Dato' Azahar bin Rasul and Abdul Fattah bin Mohamed Yatim remains objective and independent in expressing their views.

Based on the recommendation of the NC, the Board will be seeking the shareholders' approval in the 10th AGM for Dato' Azahar bin Rasul and Abdul Fattah bin Mohamed Yatim to continue as Independent Directors of the Company by way of ordinary resolutions. The justifications for their continuation as Independent Directors are disclosed in the Notice of the AGM.

III. Gender Diversity

There is currently no women on the Board. At present, the Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have policy on setting target to achieve more female participation on Board. However, the Board is committed to ensuring that the directors of the Company possess a broad balance of knowledge, merits, capability, experience, skillsets, integrity and diversity, including gender diversity. The Company always provide a fair opportunities and female representation will be considered when vacancies arise with the primary aim of selecting the best candidate to support the achievement of the Groups' objectives.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition (Continued)

IV. Board Meeting

The Board will meet at least four (4) times a year with additional meetings being held as and when required. For the financial period ended 30 September 2020, six (6) Board meetings were held. The Board is satisfied with the level of time committed by its members in discharging their duties and roles.

The attendance of the Directors at Board meetings during the financial period ended 30 September 2020 are:

No.	Name Of Members	Designation	Attendance	% Of Attendance
1	Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director	6/6	100%
2	Mohammad Sobri bin Saad	Executive Director/CEO	6/6	100%
3	Basir bin Bachik	Executive Director	6/6	100%
4	Abdul Fattah bin Mohamed Yatim	Senior Independent Non-Executive Director	6/6	100%
5	Choo Seng Choon (Appointed to the Board on 15 November 2019)	Independent Non-Executive Director	4/4	100%
6	Leou Thiam Lai (Resigned from the Board on 11 November 2019)	Independent Non-Executive Director	2/2	100%

V. Board Committees

To assist the Board in discharge of their duties effectively, the Board has delegated specific functions to certain committees. Each committee will operate within its clearly defined terms of reference.

(a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Management Committee are set out on page 21 to 23 of the annual report.

(b) Nomination Committee

The Nomination Committee comprises exclusively of independent Non-Executive Directors as follows :-

Dato' Azahar bin Rasul	Chairman
Abdul Fattah bin Mohamed Yatim	Member
Choo Seng Choon	Member

The Nomination Committee considers and recommends to the Board suitable candidates whom the Committee feel would be of good value and a complementing addition to the Board. The appointment of the Directors remains the responsibility of the Board after taking into consideration the recommendations of the Nomination Committee. The assessment of the effectiveness of the Board collectively and individually is an on-going continuous process undertaken by the Nomination Committee.

Whenever deemed necessary, the Committee would forward the relevant recommendations for the Board consideration. In carrying out its duties and responsibilities, the Nomination Committee have full, free and unrestricted access to any information, record, properties and personnel of the Group. The Committee may seek the external professional services to source for the right candidate for directorship or seek independent professional advice whenever necessary. The Nomination Committee is of the opinion that the current Board composition has the necessary knowledge, experience, professionalism, integrity, requisite range of skills and competence to enable them to discharge their duties and responsibilities.

En. Abdul Fattah bin Mohamed Yatim was appointed as the Senior Independent Non-Executive Director, to whom the concerns by the public and external stakeholders can be addressed.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition (Continued)

V. Board Committees (Continued)

(b) Nomination Committee (Continued)

Nomination Committee attendance were as follows :-

No.	Name Of Members	Attendance	Percentage
1	Dato' Azahar bin Rasul	1/1	100%
2	Abdul Fattah bin Mohamed Yatim	1/1	100%
3	Choo Seng Choon	1/1	100%

VI. Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and business development and the Board would also continually assess the training needs of the Directors as part of their obligation to update and enhance their skills and knowledge in order to effectively carry out their duties and responsibilities.

During the financial period ended 30 September 2020, the Directors had attended the following training programmes :-

Directors	Title
Dato' Azahar bin Rasul	- ALLIANZ SME Protection Solution on 19 May 2020 - Anti-Bribery Management System Training on 14 July 2020
Mohammad Sobri bin Saad	- Corporate Governance & Anti-Corruption on 31 Oct 2019 - Anti-Bribery Management System Training on 14 July 2020
Basir bin Bachik	- Anti-Bribery Management System Training on 14 July 2020
Abdul Fattah bin Mohamed Yatim	- Anti-Bribery Management System Training on 14 July 2020
Choo Seng Choon	- Transfer Pricing: Understanding Issues Surrounding Intra Group Services and Intangible Schedules on 24 April 2019 - MIA Public Practice Programme 2019 on 19 & 20 August 2019 - Corporate Liability, Adequate Procedures and ISO 37001 Anti-Bribery Management Systems on 21 November 2019 - Ethics For Internal Auditor Workshop on 9 April 2020 - Next Generation of Internal Auditing on 30 April 2020 - Anti-Bribery Management System Training on 14 July 2020 - CAE Summit on 8 September 2020 - MIA Unclaimed Money Act 1965 on 10 September 2020

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

2. Board Composition (Continued)

VII. Appointment and Re-election of Directors

One third (1/3) of the Board shall retire from office and are eligible for re-election at each Annual General Meeting and all directors shall retire from office once in every three (3) years but shall be eligible for re-election. The Company's Constitution also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

3. Remuneration

I. Remuneration Policy

The Remuneration Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms. None of the executive directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of the non-executive Chairman and non-executive directors with individual directors abstaining from decisions in respect of their individual remuneration.

In carrying out its duties and responsibilities, the Remuneration Committee have full, free and unrestricted access to any information, record, properties and personnel of the Company. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

The remuneration package is designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-Executive Directors' package primarily consists of fees only.

II. Remuneration Committee

The Remuneration Committee comprises exclusively of Independent Non-Executive Directors as follows :-

Dato' Azahar bin Rasul	Chairman
Abdul Fattah bin Mohamed Yatim	Member
Choo Seng Choon	Member

Remuneration Committee attendance were as follows : -

No.	Name Of Members	Attendance	Percentage
1	Dato' Azahar bin Rasul	1/1	100%
2	Abdul Fattah bin Mohamed Yatim	1/1	100%
3	Choo Seng Choon	1/1	100%

The details of the Directors' remuneration for the financial period ended 30 September 2020 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	596	-
Fees	-	179

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

3. Remuneration (Continued)

II. Remuneration Committee (Continued)

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows :-

	Number of Directors	
	Executive Directors	Non-Executive Directors
Below 50,000	-	2
50,000 - 100,000	-	2
250,001 - 300,000	1	-
300,001 - 350,000	1	-

III. Remuneration of Senior Managements

The aggregate remuneration of the top 5 Key Senior Management of the Group for the financial period ended 30 September are as follows :-

Remuneration	Number of Key Senior Management
250,001 – 300,000	2
300,001 – 350,000	1
400,001 – 450,000	2

4. Board's Performance Evaluation

The Nomination Committee has a formal assessment processes to review and evaluate the individual Director's performance and assess the effectiveness of the Board and Board's Committees. The Assessment were based on the criteria as recommended by the MCCG, which includes the Board structure and operations, roles and responsibilities, overall quality input to Board effectiveness, succession planning and Board Governance. The Board evaluation comprises Performance Evaluation of the Board and Board Committee, Directors' Self and Peer Evaluation and Assessment of the independence of the Independent Director. The Independent Non-Executive Directors provide a broader view and independent assessment to the decision-making process of the Board taking into account of the interest of the Group and all its stakeholders. During the financial year, the Board has assessed the independence of the Independent Non-executive Directors and is generally satisfied with their ability to act independently and objectively in the best interest of the Group. In conclusion, the Board was satisfied with the overall performance of individual Director, Board and Board Committees for the year under review.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") assists the Board to oversee the Group's financial reporting process. ARMC of the Board comprises exclusively of independent Non-Executive Directors and the Chairman of the ARMC is distinct from the Chairman of the Board. It is a practice for ARMC to require former key audit partner who was part of the engagement team to observe a cooling-off period of at least 2 years before being appointed as a member of the ARMC. For the financial period ended 30 September 2020, no former key audit partner has been appointed or is a Director of the Company. There are 6 meetings held for ARMC during the current financial period. The role, activities, authority, duties and responsibilities of the ARMC during the financial period are described in the Audit and Risk Management Committee Report found on page 21 to 23 of this annual report.

The Group and ARMC have always maintained a close and transparent relationship with the both internal and external auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. The internal and external auditors are invited to attend Audit and Risk Management Committee meetings and present their audit findings without the Executive Directors. The Committee is responsible for reviewing audit and non-audit services provided by the auditors. The independence, effectiveness and performance of the external auditors is reviewed annually by the Committee. External auditors will be recommended for re-appointment on the Board and seek approval from the shareholders at the forthcoming AGM. During the financial year under review, the ARMC had private meetings with the External Auditors without the presence of the Executive Board members and management.

The internal audit function has outsourced to an independent professional firm which reports directly to ARMC. The Committee works together with internal auditor on the scope of the audit and plan internal audit activities annually. All audit findings arising will then report directly to the Committee.

2. Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control is set out on page 24 to 25 of this annual report detailing the features of the risk management and internal control frameworks of the Group.

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

1. Communication with Stakeholders

The Board values the importance of effective communication and timely flow of information of all material business matters to the stakeholders. Hence, the Board has established corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosure information to the shareholders and stakeholders. In line with this commitment and in order to enhance the transparency and accountability, the Board has adopted an internal corporate disclosure policies and procedures to facilitate the handling and disclosure of material information in a timely and accurate manner. The information is communicated through the annual reports, circulars, quarterly results announcement, and the various disclosures and announcements made to Bursa Securities from time to time, in order to keep the stakeholders properly informed of the Group's performance and operations. The Group maintains a website at www.eah.com.my that allows all shareholders and investors access to information about the Group.

2. Annual General Meeting

The Annual General Meeting is the principal forum dialogue with all shareholders. Shareholders are encouraged to participate in the questions and answers session and all the Directors are available to respond to questions during the meeting. It provides the opportunity for the shareholders to meet and discuss for the Group's strategies, performance, major developments, corporate governance, future prospects and direction. The Board will also ensure that general meetings are served as an effective platform for the shareholders' communication by supplying timely and accurate information. Notice of Annual General Meeting and the annual report are sent to shareholders at least 21 days before the date of the meeting, allow sufficient time for the shareholders to review and seek clarification, if any. The notice included details of resolutions to be passed in the general meeting.

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

Statement of Compliance with the Code

The Board believes that the Group has complied with majority practices of the Principles and Recommendation of the Code, the relevant chapters of the Listing Requirement of ACE Market of Bursa Malaysia Securities Berhad on corporate governance and all applicable laws and regulations throughout the financial period ended 30 September 2020. The Board has reviewed and approved this Statement and is satisfied that the Group has fulfilled its obligation. The Corporate Governance Report is available on the Group's website, www.eah.com.my, as well as on Bursa Malaysia Berhad's website, www.bursamalaysia.com.

Director Responsibility Statement

This statement is prepared pursuant to the Listing Requirement of Bursa Malaysia Securities Berhad for the ACE Market.

The Board is fully accountable to ensure that the financial statements are prepared in accordance with the applicable approved accounting standards prescribed by Malaysian Accounting Standards Board and give a true and fair view of the state of affairs of the Group, including cash flow and results as at the end of each year.

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

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

Audit And Risk Management Committee Report

Audit and Risk Management Committee Members

Chairman	Choo Seng Choon (Independent Non-Executive Director)
Members	Abdul Fattah bin Mohamed Yatim (Independent Non-Executive Director) Dato' Azahar bin Rasul (Independent Non-Executive Director)
Secretary	Tan Kah Koon (Company Secretary)

Terms Of Reference of Audit And Risk Management Committee

1. Composition

(a) The Audit and Risk Management Committee shall be appointed by the Board from amongst themselves comprising not less than three (3) members where the majority of them shall be composed of independent non-executive directors and the CEO shall not be a member of the Audit and Risk Management Committee.

(b) The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or possessing such financial related qualification or experience as may be required by Bursa Malaysia Securities Berhad.

(c) The term of office of the Audit and Risk Management Committee is two (2) years and may be re-nominated and appointed by the Board.

(d) The members of the Audit and Risk Management Committee shall elect a Chairman from amongst themselves who shall be an independent director.

(e) All members of the Audit and Risk Management Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit and Risk Management Committee cease to be a Director of the Company, his membership in the Audit and Risk Management Committee would cease forthwith.

(f) No Alternate Director of the Board shall be appointed as a member of the Audit and Risk Management Committee.

(g) If the number of members of the Audit and Risk Management Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

(h) The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Duties and Responsibilities

The duties and responsibilities of the Committee shall include the followings :-

Matters relating to External Audit

(a) To review the nomination of external auditors and their audit fees;

(b) To review the nature, scope and quality of external audit plan/arrangements;

(c) To review quarterly and annual financial statements of the Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues;

(d) To review the external auditors' audit report;

(e) To review with the external auditors, their evaluation of the system of internal accounting controls;

(f) To review the Company's policies and procedures with Management and external auditors to ensure the adequacy of internal accounting and financial reporting controls;

2. Duties and Responsibilities (Continued)

Matters relating to External Audit (Continued)

(g) To review any letter of resignation from the external auditors;

(h) To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and

(i) To review the assistance given by the Company's officers to the external auditors.

Matters relating to Internal Audit function

(a) To review the effectiveness of the internal audit function;

(b) To review the internal audit programme and results of the internal audit process;

(c) To review the follow up actions by the Management on the weakness of internal accounting procedures and controls;

(d) To review on all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and

(e) To review the assistance and co-operation given by the Group and its officers to the internal auditors.

Risk Management and Internal Control

(a) To review the adequacy of risk management framework and to provide independent assurance to the Board of Directors on the effectiveness of the Company's risk management processes;

(b) To evaluate the quality and effectiveness of the Company's internal controls and management information systems, including compliance with applicable laws, rules and guidelines; and

(c) To recommend to the Board of Directors the Statement of Internal Control and any changes to the said statement.

3. Authority

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company :

(a) have explicit authority to investigate any matter within its terms of reference;

(b) have the resources which the Committee needs to perform the duties;

(c) have full access to any information which the Committee requires in the course of performing its duties;

(d) have unrestricted access to all employees of the Group;

(e) have direct communication channels with the external auditors;

(f) be able to obtain outside legal or independent professional advice in the performance of its duties at the cost of the Company; and

(g) be able to invite outsiders with relevant experience to attend its meetings, if necessary.

4. Meetings and Minutes

The Committee shall hold not less than four (4) meetings a year to review the quarterly results and year end financial statements. In order to form the quorum for each meeting, a minimum of two (2) members present shall be Independent Directors.

In addition to the Committee members, the head of internal audit shall normally attend the meetings. Representatives of the external auditors shall attend meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on each meeting to the Board.

The Secretary to the Committee shall be the Company Secretary.

5. Internal Audit Function

The Company's internal audit function is outsourced to an independent professional internal audit service provider, which reports directly to the Audit and Risk Management Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent and regular reviews of the various operations of the Company and to provide objective reports on the state of the internal controls to the Audit and Risk Management Committee. All internal audit reports will be presented to the Audit and Risk Management Committee for deliberation. The Audit and Risk Management Committee would then make the relevant recommendations for the management's further action. The total costs incurred for the outsourced internal audit function during the financial period ended 30 September 2020 was RM21,359.

Summary of Activities

During the financial period ended 30 September 2020, in line with the terms of reference, the Committee carried out the following activities in the discharge of its functions and duties:

1. Meeting with the external auditors to review the audited financial statements for the financial period ended 30 September 2020;
2. Reviewed the audit reports of the Group prepared by the external auditors and considered the major findings by the auditors and management's responses thereto;
3. Reviewed the quarterly and year-end financial results of the Group prior to submission to the Board for consideration and approval;
4. Reviewed the disclosure of related party transactions entered into by the Group in the annual report of the Group;
5. Reviewed the audit plan, nature and scope of the external auditors and considering their audit fee;
6. Reviewed the audit plan, nature and scope as proposed by the internal auditors;
7. Reviewed the audit reports presented by the internal auditors on the findings and recommendations and ensure that they are duly acted upon by the management.

Meeting Attendance

The Committee held six (6) meetings during the financial period ended 30 September 2020. The details of the attendance are as follows:

Directors	No. of meetings attended
Choo Seng Choon (Appointed on 15 November 2019)	4/4
Abdul Fattah bin Mohamed Yatim	6/6
Dato' Azahar bin Rasul	6/6
Leou Thiam Lai (Resigned on 11 November 2019)	2/2

Statement On Risk Management And Internal Control

The Malaysian Code of Corporate Governance requires listed companies to establish and maintain a sound risk management framework and internal controls to safeguard shareholders' investment and the Group's assets. This Statement on Risk Management and Internal Control is prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Board Responsibilities

The Board of Directors ("the Board") recognises the importance of maintaining a good system of risk management and internal controls and risk management to safeguard shareholders' investment and the Group's assets. The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Company's system of risk management and internal control, identifying principal risks and establishing an appropriate control environment and framework to manage risks and evaluating the Group's operational effectiveness and efficiency.

The Board has reviewed the adequacy and effectiveness of the system of risk management and internal controls of the Group. It recognises that due to inherent limitations, such systems are designed to manage rather than to eliminate the risk of business failure. As such, these systems could only provide reasonable but not absolute assurance against material misstatements or losses and the effectiveness of an internal control system may vary over time.

System of Risk Management

The Board acknowledged that all areas of the Group's activities involve some degree of risks and recognises that effective risk management is part of good business management practice for the successful achievement of the Group's business objectives. Operationally, the respective directors of the subsidiary companies and key management staff are responsible for managing the risks of their departments and periodic management meetings are held to address significant issues faced by the Group so as to ensure significant risks are closely monitored and appropriately addressed. Significant risks are highlighted to the Board on an exception basis. The abovementioned practices/initiatives serves as the on-going process used to identify, evaluate and manage significant risks that affect the achievement of the Group's business objectives.

System of Internal Control

The key measures implemented in the Group are as follows :-

(i) A well-defined organisation structure with distinct lines of accountability that sets out the authority delegated to the board and management committees;

(ii) A management reporting system to facilitate the collection, processing, monitoring and dissemination of critical information for management review and decision;

(iii) Performance reports such as quarterly financial review, business development and other corporate matters are regularly provided to the Directors for discussion and deliberations at Board of Directors meeting;

(iv) Review of quarterly and annual financial results by the Audit and Risk Management Committee;

(v) Regular meetings by the management team to discuss and review reports and business developments and to resolve key operations and managements issues;

(vi) Review the adequacy and effectiveness of the system of internal control, with the assistance of the internal audit function; and

(vii) Direct involvement of the executive directors in running the business and operations of the Group and is responsible to report to the Board on significant changes which may affect the operations of the Group.

Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm to review the adequacy and integrity of the internal control systems of the Group.

The functions of the internal audit are as follows :-

1. Perform audit work in accordance with the pre-approved internal audit plan.

2. Carry out review on the system of internal controls of the Group.

3. Review and comment on the effectiveness and adequacy of the existing control policies and procedures.

4. Provide recommendations, if any, for the improvement of the control policies and procedures.

5. Review and comment on the implementation status of the recommendation by the internal audit function.

The internal audit function reports directly to the Audit and Risk Management Committee and is independent of the management. The internal audit reports are submitted to the Audit and Risk Management Committee who would review and deliberate on the findings before making the necessary recommendations to the Board to strengthen its system internal control and policies.

Conclusion

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

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group and is of the view that they are adequate to safeguard shareholders' investments and the Group's assets. There were no material losses incurred during the financial period as a result of weaknesses in internal control that would require a separate disclosure in the annual report. The Board will, when necessary, take the necessary steps to further enhance the Company's system of risk management and internal control to adapt to the ever changing and challenging business environment.

Review of the Statement by the External Auditors

Pursuant to Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants for inclusion in the annual report and 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 aspect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, or nor is factually inaccurate.

The external auditors are not required to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and control, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon in accordance with AAPG3. The external auditors are also not required to consider the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This Statement was made in accordance with a resolution of the Board dated 29 January 2021.

Sustainability Statement

The Board acknowledges the importance of sustainable and responsible business practices in developing the corporate strategy of the Group. The business will be conducted in a responsible, trustworthy and ethical manner while attention will be given to the environmental, social and governance aspects of the business which underpin sustainability as well as balancing the interest of stakeholders to enhance investors' perception and public trust.

The Group recognises and adopts corporate social responsibility (CSR) commitments in our business operations as they have direct and indirect impact on the communities. Being a public listed company, EA Holdings Berhad upholds our responsibility to oblige to the statutory compliance of CSR and extend it further by implementing various measures of which are consistent with our stakeholder's best interest.

We have adopted a CSR policy which could be applied into our operational activities and our employees' day-to-day work activities based on economic, environmental and social prospect.

(a) The Marketplace

Stakeholders play a crucial role for the growth and sustainability of the organisation. The Group is committed to maintain high standards of Corporate Governance and integrity within the company to promote confidence in stakeholders besides meeting shareholder expectations and to benefit the stake of the shareholders.

(b) The Workplace

The Group aims for the diversification in the workforce through encouraging the staff to share knowledge, skills and experience among themselves and learn from each other. All employees are treated equally and being evaluated based on their contribution, performance and capability. The Group respect the human rights and there is no discrimination on the basis of gender, race or religion which are not relevant to the employment.

The Group believes in protecting the health and safety of our employees and provides employees a quality work environment which complies with the health and safety standards as a good working environment would help to increase the employees' efficiency and productivity besides improving the quality of life of our employees.

We encourage employees for continuous improvement by providing training to employees from time to time to enhance their skills and abilities which would offer excellent opportunities for personal and career development. We are committed in keeping their knowledge and relevant skills which in turn would contribute to the sustainability of the Group. In addition, we also organize activities, gatherings and outings to foster and cultivate closer ties within the Group. It also helps to produce dynamic workforce with a strong sense belonging.

(c) The Environment

The Group understands the importance, impact and implications of our businesses to the environment and we implement environmental practices in our operations to conserve and minimize the impact to the environment.

(i) Paperless environment

Staffs and clients are encouraged to fully maximize the benefits of ICT (eg email, instant messaging, etc.) for communication and only print hard copy when necessary. Moreover, in line with our aim to lower carbon footprints, the company will make its annual report available in softcopy on Bursa Securities and the company's websites.

(ii) Recycling

Staffs are encouraged to print on both sides of the papers to minimize paper usage while unwanted papers and recyclable items are collected and sent to be recycled. This initiative is in place to support the government's Go Green effort.

(iii) Energy saving

Employees are advised to switch off the lights and air conditioners when they are not in use to help to conserve energy.

Additional Compliance Information

(a) Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial period.

(b) Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the external auditors and their affiliates by the Group and the Company respectively for the financial period are as follows :-

	Company (RM)	Group (RM)
Audit services rendered	85,000	225,000
Non-audit services rendered	5,000	5,000
Total	90,000	230,000

(c) Material Contracts Involving Directors and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving the Company's Directors' and/or major shareholders' interest.

(d) Recurrent Related Party Transactions of Revenue Nature ("RRPT")

During the financial year, the Company did not enter into any RRPT.

Financial Statements

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 April 2019 to 30 September 2020.

CHANGE OF ACCOUNTING PERIOD

The financial year end of the Company was changed from 31 March to 30 September. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, management and consultancy services.

The principal activities and other information of its subsidiaries are set out in Note 11 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial period.

RESULTS

	Group RM	Company RM
Loss for the financial period, net of tax	53,358,031	44,573,184
Attributable to:		
- Owners of the Company	53,878,595	44,573,184
- Non-controlling interests	(520,564)	-
	53,358,031	44,573,184

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Company is not in a position to pay or declare dividends for the current financial period.

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES OR DEBENTURES

During the financial period, 8,496 of Warrants C 2014/2019 ("Warrants C") were exercised at an exercise price of RM0.07 per warrant, hence the Company paid-up share capital was increased from RM198,034,778 to RM198,035,371.

ISSUANCE OF SHARES OR DEBENTURES (cont'd)

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

The Company has not issued any debentures during the financial period.

WARRANTS

During the financial period, 8,496 of Warrants C 2014/2019 ("Warrants C") were exercised at an exercise price of RM0.07 per warrant. As at 18 June 2019, the total numbers of Warrants C that remain unexercised amounted to 403,058,636 units expired and lapsed.

Further information is disclosed in Note 20(b)(ii) to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period other than the conversion from Warrants C.

DIRECTORS OF THE COMPANY

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

Dato' Azahar Bin Rasul *	
Mohammad Sobri Bin Saad *	
Basir Bin Bachik *	
Abdul Fattah Bin Mohamed Yatim	
Choo Seng Choon	(Appointed on 15 November 2019)
Leou Thiam Lai	(Resigned on 11 November 2019)

* *Being a Director of one or more subsidiaries*

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016 ("Act"), the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial period to the date of this report are as follows:

Dato' Cheong Soo Han
Chia Kok Chin
Chong Chee Loong
Chong Nyet Fan
Law Kum Wah
Low Tee Chow
Norazian Binti Abdul Kudus

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Act, the interests of Directors in office at the end of the financial period in shares and warrants of the Company and its related corporations during the financial period were as follows:

	Number of Ordinary Shares			
	At 01.04.2019 Unit	Acquired Unit	Sold Unit	At 30.09.2020 Unit
Name of Directors:				
Ordinary shares in the Company				
Direct interest:				
- Mohammad Sobri Bin Saad	1,133,424,300	-	-	1,133,424,300
- Basir Bin Bachik	492,000	-	-	492,000
- Abdul Fattah Bin Mohamed Yatim	18	-	-	18

	Number of Warrants C 2014/2019			
	At 01.04.2019 Unit	Acquired Unit	Expired Unit	At 30.09.2020 Unit
Warrants C 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	81,568,411	-	(81,568,411)	-

	Number of Warrants D 2017/2022			
	At 01.04.2019 Unit	Acquired Unit	Exercised/ Sold Unit	At 30.09.2020 Unit
Warrants D 2017/2022				
Direct interest:				
- Mohammad Sobri Bin Saad	125,931,575	-	-	125,931,575

	Number of Warrants E 2018/2023			
	At 01.04.2019 Unit	Acquired Unit	Exercised/ Sold Unit	At 30.09.2020 Unit
Warrants E 2018/2023				
Direct interest:				
- Mohammad Sobri Bin Saad	133,411,281	-	-	133,411,281
- Basir Bin Bachik	153,750	-	-	153,750
- Abdul Fattah Bin Mohamed Yatim	5	-	-	5

The other Directors in office at the end of the financial period had no interest in the shares and warrants of the Company or its related corporations during the financial period.

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Fees	179,190	-
Salaries and other emoluments	267,000	329,200
Contributions to defined contribution plan	29,370	36,060
Social security contributions	360	356
Total remuneration	475,920	365,616

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) 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.

There were no arrangements during or at the end of the financial period which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

(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 provision for doubtful debts inadequate to any substantial extent;

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

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

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

OTHER STATUTORY INFORMATION (cont'd)

(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 and of the Company which has arisen since the end of the financial period.

(d) In the opinion of the Directors:

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

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

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

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial period from the Company and its subsidiaries are RM85,000 and RM140,000 respectively.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company and its subsidiaries.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Details of significant events during the financial period are disclosed in Note 34 to the financial statements.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL PERIOD

Details of significant events subsequent to the end of financial period are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 29 January 2021.

MOHAMMAD SOBRI BIN SAAD

BASIR BIN BACHIK

Statement By Directors

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 44 to 140 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 September 2020 and of their financial performance and cash flows for the financial period from 1 April 2019 to 30 September 2020.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 29 January 2021.

MOHAMMAD SOBRI BIN SAAD

BASIR BIN BACHIK

Statutory Declaration

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

I, TAY MUN KIT (MIA No.: 45121), being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 44 to 140 are to the best of my knowledge and belief, 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 29 January 2021

TAY MUN KIT

Before me,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EA Holdings Berhad, which comprise the statements of financial position as at 30 September 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 April 2019 to 30 September 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2020, and of their financial performance and their cash flows for the financial period from 1 April 2019 to 30 September 2020 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Key Audit Matters (cont'd)

Key Audit Matter	Our audit procedures performed and responses thereon
Impairment Review of Goodwill	
As at 30 September 2020, as shown in Note 10 to the financial statements, the carrying amount of goodwill recorded in the Group amounted to RM47,044,337, representing approximately 34.8% of the Group's total assets. The Group is required to perform an annual impairment review on the goodwill which arose from the Group's acquisition of six (6) subsidiaries. The Group applies the value-in-use ("VIU") calculation using cash flows projections derived from the most recent financial forecast and projections approved by the Directors covering a five-year period to estimate the recoverable amount of the goodwill. During the financial period, the Group has recognised an additional impairment loss of RM21,760,000 for its goodwill arising from the food and beverage distribution business segment. We have identified the impairment review of goodwill as a key audit matter as the impairment test involves significant management judgement in determining the allocation of goodwill to the cash-generating units ("CGUs") and in estimating the underlying assumptions to be applied in the discounted cash flows projections of the VIU calculation. The recoverable amount of the goodwill is highly sensitive to key assumptions applied in respect of future revenue, gross margin and the pre-tax discount rate used in the cash flows projections as well as considering the impact of the COVID-19 pandemic. A small change in the assumptions can have a significant impact on the estimation of the recoverable amount.	We have performed the following audit procedures to evaluate management's methodology and assumptions used in the VIU and for each CGU:- • Assessed and compared the key assumptions including forecasted revenue, gross margin and the pre-tax discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; and • Performed sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact of the recoverable amount of the goodwill.

Key Audit Matters (cont'd)

Key Audit Matter	Our audit procedures performed and responses thereon
Impairment Review of the Company's Investment in Subsidiaries	
As at 30 September 2020, as shown in Note 11 to the financial statements, the carrying amount of the Company's investment in subsidiaries amounted to RM80,758,221, representing approximately 60.9% of the Company's total assets. A history of recent losses and significant accumulated losses recorded by certain subsidiaries has resulted in multiple indications that the carrying amounts of investment in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amounts of the investment in subsidiaries either based on the higher of value-in-use ("VIU") calculation using cash flows projections derived from the most recent financial forecast and projections approved by the Directors covering a five-year period or fair value less costs of disposal (as the case may be). During the financial period, the Company has recognised an additional impairment loss of RM24,078,119 for its investment in subsidiaries. We have identified the impairment review of investment in subsidiaries as a key audit matter as impairment test involves significant management judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections of the VIU calculation. The recoverable amounts of the Company's investment in subsidiaries and capital contribution are highly sensitive to key assumptions applied in respect of future revenue, gross margin and the pre-tax discount rate used in the cash flows projections as well as considering the impact of the COVID-19 pandemic. A small change in the assumptions can have a significant impact on the estimation of the recoverable amount.	We have performed the following audit procedures to evaluate management's methodology and assumptions used in the VIU and the estimate of fair value less costs of disposal:- • Assessed and compared the key assumptions including forecasted revenue, gross margin and the pre-tax discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; • Performed sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact of the recoverable amounts of the cost of investment; and • Assessed the adjusted net assets of the subsidiary in deriving the recoverable amounts of the cost of investment to estimate the fair value of the subsidiary.

Key Audit Matters (cont'd)

Key Audit Matter	Our audit procedures performed and responses thereon
Impairment Review of Investment in An Associate	
As at 30 September 2020, as shown in Note 12 to the financial statements, the total carrying amount of the Group's and of the Company's investment in an associate, Cekap Air Sdn. Bhd. ("CASB") amounted to RM17,869,800, representing approximately 13.2% and 13.5% of the Group's and of the Company's total assets respectively. Accordingly, the Company estimated the recoverable amount of the investment in CASB either based on the higher of value-in-use ("VIU") calculation using cash flows projections derived from the most recent financial forecast and projections approved by the Directors covering a five-year period or fair value less costs of disposal (as the case may be). During the financial period, the Group and the Company have recognised an impairment loss of RM34,866,725 and RM20,070,200 respectively for its investment in CASB due to the loss-making position and the unfavourable future outlook due to changes in market conditions, political uncertainty and COVID-19 pandemic. We have identified the impairment review of investment in an associate as a key audit matter due to the significance of the Group's and of the Company's investment in CASB in the context of the Group's consolidated financial statements, along with the judgements involved in the management's impairment assessment of the investment in CASB which is heavily dependent on the future prospects of CASB. In addition, the revenue recognition by CASB required exercise of judgement in determining the stage of completion, the extent of costs incurred, the estimated total revenue and costs, as well as the recoverability of the costs.	We have performed the following audit procedures in relation to the impairment review of investment in an associate:- • Understanding management's process for identifying the existence of impairment indicators in respect of the investment in CASB; • Assessed and compared the key assumptions including forecasted revenue, gross margin and discount rate to the historical financial information of the associate; and • Performed sensitivity analysis by changing certain key assumptions used in the cash flows projections and assessed the impact to the recoverable amount of CASB.

Key Audit Matters (cont'd)

Key Audit Matter	Our audit procedures performed and responses thereon
Recoverability Assessment of Trade Receivables	
As at 30 September 2020, as shown in Note 13 to the financial statements, the Group has net trade receivables balance of RM13,279,578, representing approximately 9.8% of the Group's total assets. During the financial period, the Group has recognised an impairment loss of RM946,940. The impairment losses have been determined in accordance with Expected Credit Loss (''ECL'') model which requires significant judgement and estimation to determine the recoverability of the trade debts, as well as considering the impact of the COVID-19 pandemic. We have identified recoverability on trade receivables as a key audit matter because of the significance of trade receivables in the financial statements both in amount and nature and the significant judgements required for the determination of the amount of impairment loss required as mentioned above.	We have performed the following audit procedures in relation to the recoverability assessment of trade receivables:- • Reviewed the reliability of ageing of trade receivables at period end on a sample basis and to understand the credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by management; • Reviewed subsequent settlement of trade receivables after the financial year end on a sample basis, if any and evaluated management's explanation on recoverability with significant past due balances; and • Reviewed management's assessment on the recoverability of past due debts to assess the sufficiency of allowance for trade receivables through specific and collective provisions with reference to historical payment pattern of the customer, historical trend of bad debts or impairment provided for and forward-looking information as well as its correlation with macroeconomic factors and the recoverability impact from COVID-19 pandemic.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report 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 Annual Report 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 the Annual Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other 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.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

STEPHEN WAN YENG LEONG
02963/07/2021 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 29 January 2021

Statements Of Comprehensive Income

For The Financial Period From 1 April 2019 To 30 September 2020

	Note	Group 01.04.2019 to 30.09.2020 RM	Group 01.04.2018 to 31.03.2019 RM	Company 01.04.2019 to 30.09.2020 RM	Company 01.04.2018 to 31.03.2019 RM
Revenue	4	50,453,712	26,674,850	-	-
Other items of income					
Accretion of interest income on deferred receivable		444,547	-	-	-
Gain on disposal of property, plant and equipment		89,901	-	-	-
Income from shortfall in profit guarantee, net of fair value adjustment	14	3,448,015	-	3,448,015	-
Other income		452,967	344,017	240,570	170,986
Reversal of impairment loss on trade receivables	30	196,786	-	-	-
Wages subsidy		275,400	-	-	-
		4,907,616	344,017	3,688,585	170,986
Items of expense					
Changes in inventories of trading merchandise		(11,667)	(207,735)	-	-
Purchases and other direct costs		(30,794,753)	(20,484,852)	-	-
Employee benefit expenses	5(a)	(9,134,610)	(8,141,797)	(711,016)	(508,777)
Directors' remuneration	5(b)	(2,645,455)	(1,777,401)	(475,920)	(334,523)
Depreciation of property, plant and equipment	8	(803,900)	(1,241,741)	(385,669)	(258,110)
Depreciation of right-of-use assets	9	(357,042)	-	-	-
Amortisation of intangible assets	10	(96,827)	(890,956)	-	-
Impairment loss on:					
- goodwill	10	(21,760,000)	(8,183,985)	-	-
- development costs	10	(413,127)	(4,899,705)	-	-
- intellectual property rights	10	-	(2,668,750)	-	-
- investment in subsidiaries	11	-	-	(24,078,119)	(35,606,255)
- investment in an associate	12	(34,866,725)	(9,100,000)	(20,070,200)	(9,100,000)
- trade receivables	30	(946,940)	(2,586,488)	-	-
- other receivables	30	(546,470)	-	(481,900)	-
Fair value adjustment on deferred receivable	13	-	(1,007,938)	-	-
Inventories written off	15	-	(986,000)	-	-
Deposit written off		(500,000)	-	-	-
Property, plant and equipment written off		-	(180,906)	-	-
Trade receivables written off		(611)	(9,563,318)	-	-
Other expenses		(4,808,335)	(3,670,435)	(1,769,308)	(1,143,098)
Loss from operations, carried forward		(52,325,134)	(48,573,140)	(44,283,547)	(46,779,777)

	Note	Group 01.04.2019 to 30.09.2020 RM	Group 01.04.2018 to 31.03.2019 RM	Company 01.04.2019 to 30.09.2020 RM	Company 01.04.2018 to 31.03.2019 RM
Loss from operations, brought forward		(52,325,134)	(48,573,140)	(44,283,547)	(46,779,777)
Finance costs		(609,492)	(518,249)	(286,439)	(394,009)
Share of result of associate, net of tax	12	1,559,205	(967,778)	-	-
Loss before tax	5	(51,375,421)	(50,059,167)	(44,569,986)	(47,173,786)
Tax expense	6	(1,982,610)	(1,041,274)	(3,198)	(2,109)
Loss net of tax, representing total comprehensive income for the financial period/year		(53,358,031)	(51,100,441)	(44,573,184)	(47,175,895)
Loss attributable to:					
- Owners of the Company		(53,878,595)	(50,530,205)	(44,573,184)	(47,175,895)
- Non-controlling interests	11(c)	520,564	(570,236)	-	-
		(53,358,031)	(51,100,441)	(44,573,184)	(47,175,895)
Loss per ordinary share attributable to Owners of the Company:					
Basic and diluted (sen):	7	(1.06)	(1.02)		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of Financial Position

As At 30 September 2020

	Note	Group 30.09.2020 RM	Group 31.03.2019 RM	Company 30.09.2020 RM	Company 31.03.2019 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	8	6,142,773	7,124,654	3,356,301	3,741,970
Right-of-use assets	9	319,320	-	-	-
Intangible assets	10	47,044,337	69,314,291	-	-
Investment in subsidiaries	11	-	-	80,758,221	103,614,404
Investment in an associate	12	17,869,800	51,177,320	17,869,800	37,940,000
Trade receivables	13	2,070,106	3,000,532	-	-
Amounts due from shareholders of a subsidiary	14	2,798,242	-	2,798,242	-
		76,244,578	130,616,797	104,782,564	145,296,374
Current Assets					
Inventories	15	3,697,460	2,531,929	-	-
Trade receivables	13	11,209,472	11,256,985	-	-
Other receivables	16	7,372,884	7,804,972	5,571,884	3,870,103
Contract assets	17	1,969,678	925,140	-	-
Amount due from an associate	18	3,313,852	4,269,689	3,901,078	4,856,915
Amounts due from shareholders of a subsidiary	14	649,773	-	649,773	-
Tax recoverable		81,880	89,624	-	-
Fixed deposits placed with licensed banks	19(a)	3,873,056	4,384,330	2,130,105	2,036,271
Short-term money market deposit	19(b)	1,000,000	3,600,000	-	-
Cash and bank balances		25,716,955	19,570,352	15,467,270	11,628,217
		58,885,010	54,433,021	27,720,110	22,391,506
TOTAL ASSETS		135,129,588	185,049,818	132,502,674	167,687,880

	Note	Group 30.09.2020 RM	Group 31.03.2019 RM	Company 30.09.2020 RM	Company 31.03.2019 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	20	198,035,371	198,034,778	198,035,371	198,034,778
Reserves	21	(76,414,066)	(22,535,471)	(78,561,182)	(33,987,998)
Total equity attributable to Owners of the Company		121,621,305	175,499,307	119,474,189	164,046,780
Non-controlling interests	11(c)	1,104,650	584,086	-	-
Total Equity		122,725,955	176,083,393	119,474,189	164,046,780
Liabilities					
Non-Current Liabilities					
Borrowings	22	1,514,251	1,902,648	1,514,251	1,604,002
Lease liabilities	23	198,367	-	-	-
Deferred tax liabilities	24	424,634	468,311	-	-
		2,137,252	2,370,959	1,514,251	1,604,002
Current Liabilities					
Trade payables	25	2,968,614	1,204,468	-	-
Other payables	26	1,923,048	1,570,210	438,878	587,231
Contract liabilities	17	873,677	1,250,872	-	-
Amounts due to subsidiaries	27	-	-	10,472,117	836,015
Amounts due to Directors	27	15,650	43,940	-	13,790
Borrowings	22	3,362,847	1,758,857	600,041	600,062
Lease liabilities	23	233,143	-	-	-
Tax payable		889,402	767,119	3,198	-
		10,266,381	6,595,466	11,514,234	2,037,098
Total Liabilities		12,403,633	8,966,425	13,028,485	3,641,100
TOTAL EQUITY AND LIABILITIES		135,129,588	185,049,818	132,502,674	167,687,880

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Consolidated Statement Of Changes In Equity

For The Financial Period From 1 April 2019 To 30 September 2020

		<---------Attributable to Owners of the Company---------->						
		<--------------Non-Distributable-------------->			Distributable			
	Note	Share Capital RM	Warrants Reserve RM	Other Reserve RM	Retained Earnings/ (Accumulated Loss) RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group								
At 1 April 2018		134,284,411	19,441,546	(13,737,745)	23,086,769	163,074,981	49,248	163,124,229
Loss net of tax, representing total comprehensive income for the financial year		-	-	-	(50,530,205)	(50,530,205)	(570,236)	(51,100,441)
Transactions with Owners of the Company:								
Issuance of ordinary shares pursuant to:								
- Acquisition of a subsidiary	20	63,750,000	-	-	-	63,750,000	1,105,074	64,855,074
- Exercise of Warrants B	20(b)(i)	367	-	-	-	367	-	367
Share issuance expenses		-	-	-	(795,836)	(795,836)	-	(795,836)
Total transactions with Owners of the Company		63,750,367	-	-	(795,836)	62,954,531	1,105,074	64,059,605
At 31 March 2019		198,034,778	19,441,546	(13,737,745)	(28,239,272)	175,499,307	584,086	176,083,393

		<------Attributable to Owners of the Company------>						
		<------Non-Distributable------>						
	Note	Share Capital RM	Warrants Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group								
At 1 April 2019		198,034,778	19,441,546	(13,737,745)	(28,239,272)	175,499,307	584,086	176,083,393
Loss net of tax, representing total comprehensive income for the financial period		-	-	-	(53,878,595)	(53,878,595)	520,564	(53,358,031)
Transactions with Owners of the Company:								
Issuance of ordinary shares pursuant to:								
- Exercise of Warrants C	20(b)(ii)	593	-	-	-	593	-	593
Expiration of Warrants C		-	(9,502,695)	-	9,502,695	-	-	-
At 30 September 2020		198,035,371	9,938,851	(13,737,745)	(72,615,172)	121,621,305	1,104,650	122,725,955

Statement Of Changes In Equity

For The Financial Period From 1 April 2019 To 30 September 2020

	Note	<------Non-Distributable------> Share Capital RM	Warrants Reserve RM	Accumulated Losses RM	Total Equity RM
Company					
At 1 April 2018		134,284,411	19,441,546	(5,457,813)	148,268,144
Loss net of tax, representing total comprehensive income for the financial year		-	-	(47,175,895)	(47,175,895)
Transactions with Owners of the Company:					
Issuance of ordinary shares pursuant to:					
- Acquisition of a subsidiary	20	63,750,000	-	-	63,750,000
- Exercise of Warrants B	20(b)(i)	367	-	-	367
Share issuance expenses		-	-	(795,836)	(795,836)
Total transactions with Owners of the Company		63,750,367	-	(795,836)	62,954,531
At 31 March 2019		198,034,778	19,441,546	(53,429,544)	164,046,780
At 1 April 2019		198,034,778	19,441,546	(53,429,544)	164,046,780
Loss net of tax, representing total comprehensive income for the financial period		-	-	(44,573,184)	(44,573,184)
Transactions with Owners of the Company:					
Issuance of ordinary shares pursuant to:					
- Exercise of Warrants C	20(b)(ii)	593	-	-	593
Expiration of Warrants C		-	(9,502,695)	9,502,695	-
At 30 September 2020		198,035,371	9,938,851	(88,500,033)	119,474,189

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Statements Of Cash Flows

For The Financial Period From 1 April 2019 To 30 September 2020

	Note	Group 01.04.2019 to 30.09.2020 RM	Group 01.04.2018 to 31.03.2019 RM	Company 01.04.2019 to 30.09.2020 RM	Company 01.04.2018 to 31.03.2019 RM
Cash Flows from Operating Activities					
Loss before tax		(51,375,421)	(50,059,167)	(44,569,986)	(47,173,786)
Adjustments for:					
Amortisation of:					
- development costs		96,827	715,956	-	-
- intellectual property rights		-	175,000	-	-
Deposit written off		500,000	-	-	-
Depreciation of property, plant and equipment		803,900	1,241,741	385,669	258,110
Depreciation of right-of-use assets		357,042	-	-	-
Impairment loss on:					
- development costs		413,127	4,899,705	-	-
- intellectual property rights		-	2,668,750	-	-
- goodwill		21,760,000	8,183,985	-	-
- investment in subsidiaries		-	-	24,078,119	35,606,255
- investment in an associate		34,866,725	9,100,000	20,070,200	9,100,000
- other receivables		546,470	-	481,900	-
- trade receivables		946,940	2,586,488	-	-
Interest expense		609,492	518,249	286,439	394,009
Inventories written off		-	986,000	-	-
Fair value adjustment on deferred receivable		-	1,007,938	-	-
Property, plant and equipment written off		-	180,906	-	-
Trade receivables written off		611	9,563,318	-	-
Unrealised gain on foreign exchange		(750)	(517)	-	-
Accretion of interest income on deferred receivable		(444,547)	-	-	-
(Gain)/loss on disposal of property, plant and equipment		(89,901)	2,155	-	-
Interest income		(280,184)	(180,031)	(114,375)	(58,186)
Income from shortfall in profit guarantee, net of fair value adjustment		(3,448,015)	-	(3,448,015)	-
Reversal of impairment loss on trade receivables		(196,786)	-	-	-
Share of result of associate, net of tax		(1,559,205)	967,778	-	-
Write back of payables		(33,000)	-	-	-
Operating profit/(loss) before changes in working capital, balance carried forward		3,473,325	(7,441,746)	(2,830,049)	(1,873,598)

	Note	Group 01.04.2019 to 30.09.2020 RM	Group 01.04.2018 to 31.03.2019 RM	Company 01.04.2019 to 30.09.2020 RM	Company 01.04.2018 to 31.03.2019 RM
Operating profit/(loss) before changes in working capital, balance brought forward		3,473,325	(7,441,746)	(2,830,049)	(1,873,598)
Changes in working capital:					
Inventories		(1,165,531)	(897,326)	-	-
Trade and other receivables		57,339	21,047,426	(2,183,681)	10,007,268
Trade and other payables		2,149,984	(243,084)	(148,353)	107,046
Contract assets		(1,044,538)	(695,720)	-	-
Contract liabilities		(377,195)	745,977	-	-
Cash generated from/(used in) operations		3,093,384	12,515,527	(5,162,083)	8,240,716
Tax paid		(1,896,260)	(1,312,117)	-	(2,109)
Interest paid		(609,492)	(518,249)	(286,439)	(394,009)
Interest received		280,184	180,031	114,375	58,186
Net cash from/(used in) operating activities		867,816	10,865,192	(5,334,147)	7,902,784
Cash Flows from Investing Activities					
Net cash outflow arising from acquisition of a subsidiary	11(a)	-	(14,199,312)	-	(15,000,000)
Proceeds from disposal of property, plant and equipment		105,184	400	-	-
Purchase of property, plant and equipment		(78,661)	(39,819)	-	(3,555)
Net cash from/(used in) investing activities		26,523	(14,238,731)	-	(15,003,555)
Cash Flows from Financing Activities					
Advances from/(advances to) subsidiaries, net		-	-	8,414,166	(5,637,600)
Payment of share issuance expenses		-	(795,836)	-	(795,836)
Payment for the principal portion of lease liabilities	(ii)	(502,541)	-	-	-
Proceeds from exercise of warrants		593	367	593	367
Repayment from an associate, net		955,837	3,290,000	955,837	3,290,000
(Repayment to)/advances from Directors		(28,290)	10,062	(13,790)	10,062
Upliftment/(increase) in fixed deposits pledged to licensed banks		511,274	(234,008)	(93,834)	(39,144)
Repayment of borrowings	(iii)	(84,406)	(266,254)	(84,406)	(113,012)
Net cash from/(used in) financing activities		852,467	2,004,331	9,178,566	(3,285,163)

		Group		Company	
		01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019	01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019
	Note	RM	RM	RM	RM
Net increase/(decrease) in cash and cash equivalents		1,746,806	(1,369,208)	3,844,419	(10,385,934)
Effect of exchange rate changes on cash and cash equivalents		750	517	-	-
Cash and cash equivalents at beginning of the financial period/ year		21,734,523	23,103,214	11,150,781	21,536,715
Cash and cash equivalents at end of the financial period/year	(i)	23,482,079	21,734,523	14,995,200	11,150,781

Note:

(i) Cash and cash equivalents comprise:

		Group		Company	
		01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019	01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019
	Note	RM	RM	RM	RM
Fixed deposits placed with licensed banks	19(a)	3,873,056	4,384,330	2,130,105	2,036,271
Short-term money market deposit	19(b)	1,000,000	3,600,000	-	-
Cash and bank balances		25,716,955	19,570,352	15,467,270	11,628,217
		30,590,011	27,554,682	17,597,375	13,664,488
Less: Fixed deposits pledged as collaterals		(3,873,056)	(4,384,330)	(2,130,105)	(2,036,271)
Bank overdrafts	22(c)	(3,234,876)	(1,435,829)	(472,070)	(477,436)
		23,482,079	21,734,523	14,995,200	11,150,781

Note: (cont'd)

(ii) Cash outflows for right-of-use assets are as follows:

	Group 01.04.2019 to 30.09.2020 RM
Included in net cash from operating activities:	
- Interest paid in relation to lease liabilities	(48,281)
- Payment relating to short-term leases	(50,400)
- Payment relating to low value assets	(26,856)
Included in net cash from financing activities:	
- Payment for the principal portion of lease liabilities	(502,541)
	(628,078)

(iii) The reconciliation of the movements of liabilities to cash flows arising from financing activities:

	Term Loan RM	Hire Purchase Payables RM	Total RM
Group			
31.03.2019			
At 1 April 2018	1,839,640	592,715	2,432,355
Acquisition of a subsidiary (Note 11(a))	-	59,575	59,575
Repayment	(113,012)	(153,242)	(266,254)
At 31 March 2019	1,726,628	499,048	2,225,676

	Term Loan RM	Lease Liabilities RM	Total RM
30.09.2020			
At 1 April 2019, as previously reported	1,726,628	-	1,726,628
Adjustment of initial application of MFRS 16			
- Hire purchase payables	-	499,048	499,048
- Lease of premises	-	435,003	435,003
	-	934,051	934,051
At 1 April 2019, as restated	1,726,628	934,051	2,660,679
Repayment	(84,406)	(502,541)	(586,947)
At 30 September 2020	1,642,222	431,510	2,073,732

Note: (cont'd)

(iii) The reconciliation of the movements of liabilities to cash flows arising from financing activities: (cont'd)

	Term Loan RM
Company	
31.03.2019	
At 1 April 2018	1,839,640
Repayment	(113,012)
At 31 March 2019	1,726,628
30.09.2020	
At 1 April 2019	1,726,628
Repayment	(84,406)
At 30 September 2020	1,642,222

* *For reconciliation of liabilities arising from financing activities purpose, the bank overdrafts have been excluded from the borrowings as it is part of the cash and cash equivalents.*

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

1. CORPORATE INFORMATION

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

The registered office of the Company is located at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at Unit 25-5, Level 25, Oval Damansara, 685, Jalan Damansara, 60000 Kuala Lumpur.

The Company is principally engaged in investment holding, management and consultancy services. The principal activities and other information of its subsidiaries are set out in Note 11. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial period.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 29 January 2021.

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 Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial period

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 – 2017 Cycle	

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company except for the adoption of MFRS 16 *Leases.*

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(i) Accounting pronouncements that are effective and adopted during the financial period (cont'd)

MFRS 16 Leases

MFRS 16 replaced the guidance in MFRS 117 "*Leases*", IC Interpretation 4 "Determining whether an Arrangement contains a Lease", IC Interpretation 115 "Operating Leases – Incentives" and IC Interpretation 127 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

MFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. For lessee, MFRS 16 requires the recognition of a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116 *Property, Plant and Equipment* whereas lease liability is accreted to reflect interest and is reduced to reflect lease payments made. Leases that were classified as finance leases under MFRS 117, the carrying amount of the ROU asset and lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately before the date of initial application.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. The Group has a number of operating leases in the form of rental of premises.

The modified retrospective transition approach measures the lease liabilities based on the present value of future lease payments calculated using incremental borrowing rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method. The modified retrospective approach requires the impact of the adoption to be included in the opening retained earnings on 1 April 2019. As such, comparative information was not restated and continues to be reported under MFRS 117 and related interpretations.

The Group has also applied the following practical expedients permitted by MFRS 16 as follows:

- Leases of less than 12 months duration and leases for low value items are excluded. Rental payments associated with these leases will be recognised in the statements of comprehensive income on a straight-line basis over the life of the lease;
- A single discount rate (4.68%) is applied to portfolio of leases with reasonably similar characteristics;
- The Group does not apply the standard to leases which lease terms end within 12 months from 1 April 2019; and
- The Group uses hindsight in determining lease terms for contracts that contain options for extension or termination.

The adoption of MFRS 16 required the Group to make judgement on the discount rate used on transition to discount future lease payments (i.e. the Group's incremental borrowings rates). This rate has been calculated to reflect the underlying lease terms and observable inputs. The risk-free rate component has been based on the Base Lending Rate ("BLR") and has been adjusted for credit risk.

The right-of-use assets and lease liabilities are presented as a separate line in the statement of financial position.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(i) Accounting pronouncements that are effective and adopted during the financial period (cont'd)

MFRS 16 Leases (cont'd)

The effects on presentation of statements of financial position of the Group arising from the initial application of MFRS 16 is as follows:

	As previously reported RM	Effects on adoption of MFRS 16 RM	As restated RM
Group			
1 April 2019			
Assets:			
Property, plant and equipment	7,124,654	(241,359)	6,883,295
Right-of-use assets	-	676,362	676,362
Liabilities:			
Borrowings	3,661,505	(499,048)	3,162,457
Lease liabilities	-	934,051	934,051

The differences between operating lease commitments as at 31 March 2019 and lease liabilities recognised at the date of initial application can be reconciled as below:

	RM
Operating lease commitments as at 31 March 2019, as restated	391,313
Exercise of option to extend leases	123,800
Effect from discounting at the incremental borrowing rate of 4.68%	(33,997)
Reclassified from hire purchase payables	499,048
Short-term lease rental and lease of low value assets	(46,113)
Lease liabilities recognised as at 1 April 2019	934,051

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRSs	

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (cont'd)

The Group and the Company have not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:- (cont'd)

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16	Covid-19 – Related Rent Concessions

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 – 2020 Cycle	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current

Effective date to be announced

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

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to financial statements of the Group and of the Company upon their initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

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

The key assumptions concerning the future and other key sources of estimation or 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 financial year are set out below.

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line method over the assets' useful lives. The Directors estimate the useful lives of these property, plant and equipment to be between 5 to 50 years.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business.

Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Impairment of intangible assets

The intangible assets are related to development costs and intellectual property rights. The Group reviews the useful lives of intangible assets at each reporting date in accordance with the accounting policy as disclosed in Note 3(k). The Group also assesses whether there are any indicators of impairment for intangible assets at each reporting date and tested for impairment when there are indicators that the carrying amounts may not be recoverable.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements (cont'd)

(iii) Impairment of intangible assets (cont'd)

This requires management to estimate the expected future cash flows, which depends significantly on the procurement of future projects, to apply a suitable discount rate to determine the present value of those cash flows. The impairment assessment could be materially affected by the changes in the assumptions and estimates used in the cash flows projections.

(iv) Impairment of goodwill

The Group is required to perform an annual impairment test and at other times when such indicators exist of the cash-generating units ("CGUs") or groups of CGUs to which goodwill has been allocated. The Group estimates the recoverable amounts of its CGUs or group of CGUs to which goodwill is allocated based on the higher of an assets' fair value less costs to sell and value-in-use.

This requires management to estimate the expected future cash flows of the CGUs and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(v) Impairment of investment in an associate

The Group and the Company assess at each reporting date whether the carrying amount of its investment in an associate is impaired. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flows analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts. In performing discounted cash flows analysis, discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The growth rates used to forecast the projected cash flows for the following year approximate the performances of the respective investments based on the latest available management accounts.

(vi) Impairment of financial assets and receivables

The Group and the Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied as disclosed in Note 3(p)(i) depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and amount due from an associate, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements (cont'd)

(vii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(viii) Carrying value of investment in subsidiaries

Investment in subsidiaries are reviewed for impairment annually in accordance with its accounting policy whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investment in subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Consolidation (cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in the profit or loss.

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

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

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

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

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

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

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

(a) **Basis of consolidation** (cont'd)

Business combination (cont'd)

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

Subsidiaries

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

Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition date and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

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

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Associates (cont'd)

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

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in the profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

Transactions eliminated on consolidation

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

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

(b) Foreign currency transactions

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

(c) Revenue and other income recognition

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Revenue and other income recognition (cont'd)

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

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

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

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

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

<u>Sales of goods</u>

Revenue from the sales of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, or performance of services, net of sales and goods and services taxes and discounts.

<u>Service contracts</u>

The Group recognises revenue from service contracts over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

Other revenue earned by the Group and the Company are recognised on the following basis:

<u>Rental income</u>

Rental income from property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

<u>Interest income</u>

Interest income is recognised on an accrual basis using the effective interest method.

<u>Government grant/assistance</u>

Government grant/assistance received from government on wages subsidy is recognised on monthly basis over the qualified period under the criteria set by the government.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Revenue and other income recognition (cont'd)

Profit guarantee income

Income from shortfall in profit guarantee is recognised on accrual basis.

(d) Government grant/assistance

Grants/assistance from government is recognised when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants/assistance relating to costs are deferred and recognised in the statements of profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grant/assistance related to assets are presented in the statements of financial position as deferred revenue and recognised in the profit or loss on a systematic basis over the useful life of the asset.

(e) Employee benefits

Short-term employee benefits

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

Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(f) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial period/year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(h) Leases

Current financial period

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are as follows:

Lease of premises	Over the lease period of 3 to 4 years
Motor vehicles	5 years

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Leases (cont'd)

Current financial period (cont'd)

If right-of-use asset relates to a class of property, plant and equipment to which the lessee applies the revaluation model in MFRS 116, a lessee may elect to apply that revaluation model to all of the right-of-use assets that relate to that class of property, plant and equipment.

The right-of-use assets and lease liabilities are presented as a separate line in the statements of financial position.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(p)(ii).

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's 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.

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 the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Previous financial year

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

(i) Finance Lease

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

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Leases (cont'd)

Previous financial year (cont'd)

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to the profit or loss in the reporting period in which they are incurred.

(i) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period/year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial period/year, adjusted for the effects of all dilutive potential ordinary shares, which comprise free warrants granted to shareholders.

(j) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(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 the profit or loss as incurred.

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 the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(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 the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Freehold land and building	2%
Freehold office units	5%
Office equipment, furniture and fittings, computers and renovation	10% – 20%
Motor vehicles	20%
Machinery and equipment	10%

Freehold land has an indefinite useful life and therefore is not depreciated.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(k) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash-generating units and is measured at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in subsidiary in the profit or loss.

Development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Intangible assets (cont'd)

Development costs (cont'd)

Expenditure on the development activities is also recognised as an expense in the period incurred except when the expenditure meets the following criteria where it will be capitalised as intangible assets:

(i) the product or process is clearly defined and costs are separately identified and measure reliably;
(ii) the technical feasibility of the product is demonstrated;
(iii) the product or process will be sold or used in-house;
(iv) the assets will generate future economic benefits (e.g. potential market exists for the product or its usefulness, in case of internal use, is demonstrated); and
(v) adequate technical, financial and other resources required for completion of the project are available.

Development costs initially recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Intellectual property rights

Intellectual property rights are recognised as intangible asset if it is probable that the future economic benefits that are attributable to such asset will flow to the Group and the costs of such asset can be measured reliably.

Intellectual property rights acquired for the use of certain brand names and trademarks are stated at cost less accumulated amortisation and impairment losses, if any.

The intellectual property rights are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of an asset less its residual value.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Development costs	5 – 15 years
Intellectual property	20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in-first out ("FIFO") cost formula, and includes expenditure incurred in acquiring the inventories and others costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Contract assets and liabilities

Contract assets and liabilities in services contract represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract assets are recognised as revenue when performance obligations are satisfied.

When 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 liabilities are the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of services contract, contract liabilities are the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include down payments received from customers and other deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers.

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, fixed deposits placed with licensed banks and short-term money market deposits 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 the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(o) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes 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 of the business model.

<u>Amortised cost</u>

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows 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. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 3(p)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see note 3(p)(i)).

Financial liabilities

<u>Amortised cost</u>

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(iv) Financial guarantee contracts

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments (cont'd)

(iv) Financial guarantee contracts (cont'd)

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of *MFRS 15 Revenue from Contracts with Customers*.

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

(v) Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(vi) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. 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 the profit or loss.

(p) Impairment

(i) <u>Financial assets</u>

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment (cont'd)

(i) Financial assets (cont'd)

Loss allowances of the Group and of the Company are measured on either of the following basis:

(i) 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(ii) Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach - trade receivables and contract assets

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach - other financial instruments and financial guarantee contracts

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment (cont'd)

(i) Financial assets (cont'd)

General approach - other financial instruments and financial guarantee contracts (cont'd)

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset is aged more than 180 or 365 days, depending on customer profiles.

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors and the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is 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.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event (e.g. being aged more than 180 or 365 days);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

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 or the Company 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due. Any recoveries made are recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in the 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value-in-use and its fair value less costs to sell. 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.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in the profit or loss.

(q) Equity instruments

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 their liabilities. Ordinary shares are equity instruments.

Ordinary shares

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

Issuance expenses

Costs directly attributable to the issuance of instruments classified as equity are recognised as a deduction from equity.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Warrants reserves

Amount allocated in related to the issuance of free warrants are credited to a 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 period will be transferred to retained earnings.

(s) Provisions

A provision is recognised if, as a result of a past event, the Group or the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of comprehensive income net of any reimbursement.

(t) Operating segments

Operating segments are defined as components of the Group that:

(a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

(b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:

  (i) the combined reported profit of all operating segments that did not report a loss; and
  (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are 10% or more of the combined segments that reported a loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Operating segments (cont'd)

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the revenue of the Group. Operating segments identified as reportable segments in the current financial period/year in accordance with the quantitative thresholds would result in a restatement of prior period segment date for comparative purposes.

(u) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(v) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. REVENUE

	Note	Group 01.04.2019 to 30.09.2020 RM	Group 01.04.2018 to 31.03.2019 RM
Information and communications technologies ("ICT") services	(i)	8,337,917	1,697,000
Radio frequency identification ("RFID"), surveillance solutions and building automation system	(ii)	7,325,797	5,104,303
Software solutions	(i)	4,470,729	472,041
Food and beverage ("F&B") distribution	(iii)	30,319,269	19,401,506
		50,453,712	26,674,850
Timing of revenue recognition:			
- Point in time		31,842,085	24,315,806
- Over time		18,611,627	2,359,044
		50,453,712	26,674,850

(i) ICT services and software solutions

	Note	Group 01.04.2019 to 30.09.2020 RM	Group 01.04.2018 to 31.03.2019 RM
Consultancy services	(a)	-	977,338
Software installation, commissioning, post-contract support and maintenance services	(b)	12,808,646	1,191,703
		12,808,646	2,169,041

(a) Consultancy services

The Group entered into contract with customers to carry out consultancy services. Revenue from consultancy service is recognised on a straight-line basis over the terms of the contract.

(b) Software installation, commissioning, post-contract support and maintenance services

(i) Software installation and commissioning

Software solutions offered by the Group to its customers generally involve two phases which are installation and commissioning respectively. These integrated services include implementation, data conversion, software design or development, testing and go-live process. Such integrated services are explicitly stated in the contract with customers. The billing method by the Group is in the form of milestone billing which represents the work completed with reference to stages which are stipulated in the contract.

4. REVENUE (cont'd)

(i) ICT services and software solutions (cont'd)

(b) Software installation, commissioning, post-contract support and maintenance services (cont'd)

(ii) Post-contract support and maintenance services ("PCSM")

The Group offers PCSM which is an after-sales element included in the contract with customers on the software solutions. This represents the right of customers to receive services or unspecified product upgrades/enhancements, or both. Generally, these services include upgrade support and correction of errors (i.e. bug fixes or debugging), as well as unspecified upgrades or enhancements towards software previously installed. The period and duration of PCSM provided is dependent on the terms stipulated in the respective contract.

Performance obligation ("PO")

The Group entered into separate fixed-price contracts with respective customers and such obligations are distinct and are able to be performed separately and tailored to respective needs of different customers. Based on individual contracts with customers which comprised of two POs, software installation, commissioning and PCSM are capable of being distinct and separately identifiable.

Software installation and commission will be considered as a single PO as these two services are integrated and interdependent with the stages agreed in the contract and the customers are unable to use the software if one of the mentioned nature of work is incomplete. The reason of PCSM being distinct is due to software installed remain functional without the needs of PCSM. Accordingly, the Group allocates the transaction price based on relative stand-alone selling price of each PO.

Timing of recognition

For the software installation and commission, the PO is satisfied over time upon completion of services based on the milestone achievement. The completion of installation and commision of software has generally no alternative use for the Group as the software is customised according to the customer's needs and specifications. The Group has an enforceable right to payment for the stages of services performed by reference to the milestone of the contract agreed mutually. Therefore, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that agreed performance obligation mentioned in the contract.

For PCSM, customers simultaneously consumed and received the benefits provided by the Group on the service rendered and revenue is recognised over time. The Group has an enforceable right to payment for the services provided completed over the contract period.

4. REVENUE (cont'd)

(ii) RFID, surveillance solutions and building automation system

	Note	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
RFID integrated products	(a)	459,586	759,019
Surveillance solutions	(b)	5,662,184	2,716,134
Building automation system	(c)	1,204,027	1,629,150
		7,325,797	5,104,303

(a) RFID integrated products

The Group carried out the business of assembly and distribution of RFID reader. Revenue is recognised at point in time when control over the goods have been transferred to the customer upon delivery, installation and obtain customer acceptance of the RFID units.

(b) Surveillance solutions

The Group provides security system services which includes the installation of closed-circuit television ("CCTV") system, security alarm system and access control system. In addition, the Group also entered into contracts with customer in respect of mechanical and electrical ("M&E") work which covers scope of works such as extra-low voltage ("ELV") services, mechanical ventilation services, fire protection services and etc.

Revenue recognition for the M&E work is based on stage of completion method. The stage of completion method is determined by the proportion that construction costs incurred for work performed to-date in relation to the estimated total construction costs.

Performance obligation ("PO")

Installation of security systems and M&E construction works are considered as a single PO respectively. For the security system, PO is satisfied upon installation process completed in customer site. Whereas, PO for M&E works is satisfied over time upon the customer simultaneously receives and consumes the benefits provided by the Group's performance. The duration of the M&E works generally takes 36 months to complete.

Timing of recognition

Revenue from the installation of security system is recognised at point in time upon completion of installation. The M&E work has generally no alternative use due to contractual restrictions and the Group has an enforceable right to payment for the certified work performed over the contract period. Therefore, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that agreed performance obligation mentioned in the contract.

4. REVENUE (cont'd)

(ii) RFID, surveillance solutions and building automation system (cont'd)

(c) Building automation system

The Group entered into short-term contract with customer to provide services in respect of supply, installing, testing and commissioning the space temperature sensor, outdoor humidity sensor and etc. Revenue is recognised at point in time when service has been performed and customer acceptance has been obtained.

(iii) Food and beverage ("F&B'') distribution

	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
Sales of trading goods	30,319,269	19,401,506

The Group also engaged in the business of selling and distributing canned foods, packet drinks, snacks and other food related products.

Performance obligation ("PO")

The contracts with customers are bundled and consist of obligations for the sale of goods and the delivery of the said goods. Contracts for bundled services are comprised of multiple POs and are capable of being distinct and separately identifiable. However, the management has assessed that the delivery obligation is primarily a value-added fulfilment service and is not considered to be a significant distinct PO. Accordingly, the contracts with the respective customers are considered as a single PO and is satisfied on point in time basis.

Timing of recognition

Revenue is recognised at a point in time when control over the goods have been transferred to the customer and obtain customer acceptance of the said goods. Revenue is recognised based on the price specified in the invoices, net of discounts, rebates and incentives where applicable.

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from software installation, commissioning, PCSM services, RFID and surveillance solutions.

(i) Software installation, commissioning, post-contract support and maintenance services

	Group	
	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
Total contract revenue	36,386,600	19,454,590
Less: Cumulative revenue recognised	(19,792,575)	(14,557,143)
Aggregate amount of the transaction price allocated to software installation, commissioning, PCSM services revenue that are partially or fully unsatisfied as at reporting date	16,594,025	4,897,447

4. REVENUE (cont'd)

Unsatisfied long-term contracts (cont'd)

(i) Software installation, commissioning, post-contract support and maintenance services (cont'd)

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 12 to 24 months (31.03.2019: 12 to 24 months).

(ii) RFID, surveillance solutions and building automation system

	Group	
	01.04.2019 to 30.09.2020 RM	**01.04.2018 to 31.03.2019 RM**
Total contract revenue	66,768,661	31,624,000
Less: Cumulative revenue recognised	(1,992,627)	(776,065)
Aggregate amount of the transaction price allocated to RFID, surveillance solutions and building automation system services revenue that are partially or fully unsatisfied as at reporting date	64,776,034	30,847,935

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 12 to 36 months (31.03.2019: 12 to 36 months).

The contract assets and liabilities related to contracts with customers are disclosed in Note 17.

5. LOSS BEFORE TAX

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

		Group		Company	
	Note	**01.04.2019 to 30.09.2020 RM**	**01.04.2018 to 31.03.2019 RM**	**01.04.2019 to 30.09.2020 RM**	**01.04.2018 to 31.03.2019 RM**
Auditors' remuneration					
- statutory audit		225,000	185,000	85,000	60,000
- overprovision in prior year		(500)	(500)	-	-
- other services		5,000	115,000	5,000	115,000
Amortisation of:					
- development costs	10	96,827	715,956	-	-
- intellectual property rights	10	-	175,000	-	-
Deposit written off		500,000	-	-	-
Depreciation of property, plant and equipment	8	803,900	1,241,741	385,669	258,110
Depreciation of rights-of-use assets	9	357,042	-	-	-
Directors' remuneration	(b)	2,645,455	1,777,401	475,920	334,523
Employee benefit expenses	(a)	9,134,610	8,141,797	711,016	508,777

5. LOSS BEFORE TAX (cont'd)

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

		Group		Company	
		01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019	01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019
	Note	RM	RM	RM	RM
Fair value adjustment on deferred receivable	13	-	1,007,938	-	-
Accretion of interest income on deferred receivable		(444,547)	-	-	-
Impairment loss on:					
- development costs	10	413,127	4,899,705	-	-
- intellectual property rights	10	-	2,668,750	-	-
- goodwill	10	21,760,000	8,183,985	-	-
- investment in subsidiaries	11	-	-	24,078,119	35,606,255
- investment in an asosciate	12	34,866,725	9,100,000	20,070,200	9,100,000
- trade receivables	30	946,940	2,586,488	-	-
- other receivables	30	546,470	-	481,900	-
(Gain)/loss on disposal of property, plant and equipment		(89,901)	2,155	-	-
Inventories written off	15	-	986,000	-	-
Income from shortfall in profit guarantee, net of fair value adjustment	14	(3,448,015)	-	(3,448,015)	-
Interest income		(280,184)	(180,031)	(114,375)	(58,186)
Interest expense on:					
- bank overdrafts		442,938	397,697	168,166	304,341
- hire purchase payables		-	30,884	-	-
- term loans		118,273	89,668	118,273	89,668
- lease liabilities		48,281	-	-	-
Loss/(gain) on foreign exchange:					
- realised		2,111	1,719	-	-
- unrealised		(750)	(517)	-	-
Property, plant and equipment written off		-	180,906	-	-
Rental of premises		-	327,864	-	-
Rental of office equipment		-	7,176	-	-
Reversal of impairment loss on trade receivables	30	(196,786)	-	-	-
Right-of-use assets:					
- Short-term leases		50,400	-	-	-
- Lease of low value assets		26,856	-	-	-
Rental income		(98,835)	(76,800)	(126,195)	(112,800)
Trade receivables written off		611	9,563,318	-	-
Wages subsidy		(275,400)	-	-	-
Write back of payable		(33,000)	-	-	-

5. LOSS BEFORE TAX (cont'd)

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

(a) The employee benefit expenses comprise:

	Group		Company	
	01.04.2019 to 30.09.2020 RM	**01.04.2018 to 31.03.2019 RM**	**01.04.2019 to 30.09.2020 RM**	**01.04.2018 to 31.03.2019 RM**
Salaries, wages, allowances and bonus	7,762,270	6,960,122	600,908	409,007
Contributions to defined contribution plan	935,373	789,681	73,818	48,480
Social security contributions	106,668	87,300	5,040	2,685
Other benefits	330,299	304,694	31,250	48,605
	9,134,610	8,141,797	711,016	508,777

(b) The Directors' remuneration comprises:

	Group		Company	
	01.04.2019 to 30.09.2020 RM	**01.04.2018 to 31.03.2019 RM**	**01.04.2019 to 30.09.2020 RM**	**01.04.2018 to 31.03.2019 RM**
Directors of the Company:				
Executive:				
Salaries and other emoluments	596,200	394,000	267,000	180,000
Contributions to defined contribution plan	65,430	25,920	29,370	21,600
Social security contributions	716	923	360	923
	662,346	420,843	296,730	202,523
Non-Executive:				
Fees	179,190	132,000	179,190	132,000
	841,536	552,843	475,920	334,523
Directors of the subsidiaries:				
Executive:				
Salaries and other emoluments	1,615,071	1,083,784	-	-
Contributions to defined contribution plan	183,406	136,464	-	-
Social security contributions	5,442	4,310	-	-
	1,803,919	1,224,558	-	-
Total	2,645,455	1,777,401	475,920	334,523

5. LOSS BEFORE TAX (cont'd)

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

(b) The Directors' remuneration comprises: (cont'd)

	Group		Company	
	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
Analysis excluding benefits-in-kind:				
Total executive Directors' remuneration	2,466,265	1,645,401	296,730	202,523
Total non-executive Directors' remuneration	179,190	132,000	179,190	132,000
	2,645,455	1,777,401	475,920	334,523

The number of Directors of the Company whose total remuneration during the financial period/year fell within the following bands is analysed below:

	Number of Directors	
	01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019
Executive Directors:		
RM150,001 - RM200,000	-	1
RM250,001 - RM300,000	1	1
RM300,001 - RM350,000	1	-
Non-Executive Directors:		
Below RM50,000	2	2
RM50,000 - RM100,000	2	1

6. TAX EXPENSE

	Group		Company	
	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
Income tax:				
- Current period/year	2,057,296	1,040,487	-	-
- (Over)/underprovision in prior years	(31,009)	26,836	3,198	2,109
	2,026,287	1,067,323	3,198	2,109
Deferred tax (Note 24):				
- Reversal of temporary differences	(19,013)	(51,198)	-	-
- (Over)/underprovision in prior year	(24,664)	25,149	-	-
	(43,677)	(26,049)	-	-
Tax expense for the financial period/year	1,982,610	1,041,274	3,198	2,109

6. TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.03.2019: 24%) of the estimated assessable profit for the period/year.

The reconciliation of the tax amount at statutory income tax rate to the Group's and to the Company's tax expense is as follows:

	Group		Company	
	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
Loss before tax	(51,375,421)	(50,059,167)	(44,569,986)	(47,173,786)
Tax at the Malaysian statutory income tax rate of 24% (31.03.2019: 24%)	(12,330,101)	(12,014,200)	(10,696,797)	(11,321,709)
Effect of income subject to 17% preferential tax rate *	-	(35,000)	-	-
Tax effect on share of results of associate	(374,209)	232,267	-	-
Income not subject to tax	(996,422)	-	(827,524)	
Expenses not deductible for tax purposes	14,971,398	9,050,085	11,524,321	11,321,709
Deferred tax assets not recognised	1,113,573	3,756,137	-	-
Utilisation of previously unrecognised tax losses	(341,339)	-	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	(4,617)	-	-	-
(Over)/underprovision in prior years:				
- income tax	(31,009)	26,836	3,198	2,109
- deferred tax	(24,664)	25,149	-	-
Tax expense for the financial period/year	1,982,610	1,041,274	3,198	2,109

* *The determination of whether an entity will be entitled to Small and Medium Enterprise ("SME") preferential tax rate will be on the first day of the basis period. In prior year, the first day of the basis period for Sunland is 1 February 2018, hence Sunland will be eligible for the preferential rate of 17%.*

The Company's subsidiaries namely EA MSC Sdn. Bhd. and CSS MSC Sdn. Bhd. have been awarded Multimedia Super Corridor ("MSC") status by the Government of Malaysia and were granted pioneer status under the Promotion of Investments Act, 1986, which exempt 100% of the statutory business income for a period of 10 years commencing from 15 May 2008 and 2 July 2009 respectively.

On 14 May 2018 and 1 July 2019, the aforesaid pioneer status granted to the respective subsidiaries have lapsed in accordance to the above-mentioned eligible period.

6. TAX EXPENSE (cont'd)

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances respectively, available for set-off against future taxable profit as follows:

	Group		Company	
	30.09.2020	**31.03.2019**	**30.09.2020**	**31.03.2019**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses	27,684,247	25,041,477	-	-
Unabsorbed capital allowances	574,650	865,161	-	-
	28,258,897	25,906,638	-	-

With effect from Year of Assessment ("YA") 2019, the unutilised tax losses in a YA of the Company and its subsidiaries can only be carried forward for a maximum period of 7 consecutive YAs to be utilised against income from any business source.

7. LOSS PER ORDINARY SHARE

(a) Basic

Basic loss per ordinary share for the financial period/year is calculated by dividing loss after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	Group	
	01.04.2019 to 30.09.2020	**01.04.2018 to 31.03.2019**
	RM	**RM**
Basic loss per share:		
Loss after tax attributable to Owners of the Company (RM)	(53,878,595)	(50,530,205)
Weighted average number of ordinary shares:		
Number of ordinary shares at beginning of the period/year	5,072,352,068	3,478,598,004
Effect of new ordinary shares issued	-	1,480,222,603
Effect of exercise of warrants	7,287	440
Weighted average number of ordinary shares at end of the financial period/year	5,072,359,355	4,958,821,047
Basic loss per share (sen)	(1.06)	(1.02)

(b) Diluted

Diluted loss per share is not presented as there were no potential dilutive ordinary shares outstanding during the financial year as the average market price of the ordinary share was lower than the exercise price of the unexpired warrants as disclosed in Note 20.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building RM	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Renovation RM	Motor vehicles RM	Machinery and equipment RM	Total RM
Group									
30.09.2020									
Cost									
At 1 April 2019, as previously reported	2,876,437	4,608,783	330,298	246,794	2,252,646	546,349	3,158,586	171,491	14,191,384
Effect on adoption of MFRS 16	-	-	-	-	-	-	(639,716)	-	(639,716)
At 1 April 2019, as restated	2,876,437	4,608,783	330,298	246,794	2,252,646	546,349	2,518,870	171,491	13,551,668
Additions	-	-	21,776	260	56,625	-	-	-	78,661
Disposals	-	-	(13,751)	-	-	-	(305,671)	-	(319,422)
Written off	-	-	(1,980)	-	-	-	-	-	(1,980)
At 30 September 2020	2,876,437	4,608,783	336,343	247,054	2,309,271	546,349	2,213,199	171,491	13,308,927
Accumulated Depreciation									
At 1 April 2019, as previously reported	341,767	914,989	266,297	132,484	2,137,454	430,035	2,708,748	134,956	7,066,730
Effect on adoption of MFRS 16	-	-	-	-	-	-	(398,357)	-	(398,357)
At 1 April 2019, as restated	341,767	914,989	266,297	132,484	2,137,454	430,035	2,310,391	134,956	6,668,373
Charge for the financial period	99,700	345,660	31,417	28,428	60,705	84,096	144,498	9,396	803,900
Disposals	-	-	(13,751)	-	-	-	(290,388)	-	(304,139)
Written off	-	-	(1,980)	-	-	-	-	-	(1,980)
At 30 September 2020	441,467	1,260,649	281,983	160,912	2,198,159	514,131	2,164,501	144,352	7,166,154
Net Carrying Amount									
At 30 September 2020	2,434,970	3,348,134	54,360	86,142	111,112	32,218	48,698	27,139	6,142,773

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and building RM	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Renovation RM	Motor vehicles RM	Machinery and equipment RM	Total RM
Group									
31.03.2019									
Cost									
At 1 April 2018	-	4,608,783	215,141	234,599	3,796,747	362,672	2,343,469	-	11,561,411
Additions	-	-	4,287	-	29,984	2,340	-	3,208	39,819
Acquisition of a subsidiary (Note 11)	2,876,437	-	135,016	41,757	182,120	181,337	1,256,432	168,283	4,841,382
Disposals	-	-	(4,200)	-	-	-	-	-	(4,200)
Written off	-	-	(19,946)	(29,562)	(1,756,205)	-	(441,315)	-	(2,247,028)
At 31 March 2019	2,876,437	4,608,783	330,298	246,794	2,252,646	546,349	3,158,586	171,491	14,191,384
Accumulated Depreciation									
At 1 April 2018	-	684,549	138,457	103,121	2,999,523	224,472	1,937,796	-	6,087,918
Charge for the financial year	65,330	230,440	27,280	19,187	570,121	55,089	268,999	5,295	1,241,741
Acquisition of a subsidiary (Note 11)	276,437	-	122,151	39,335	143,512	150,474	943,268	129,661	1,804,838
Disposals	-	-	(1,645)	-	-	-	-	-	(1,645)
Written off	-	-	(19,946)	(29,159)	(1,575,702)	-	(441,315)	-	(2,066,122)
At 31 March 2019	341,767	914,989	266,297	132,484	2,137,454	430,035	2,708,748	134,956	7,066,730
Net Carrying Amount									
At 31 March 2019	2,534,670	3,693,794	64,001	114,310	115,192	116,314	449,838	36,535	7,124,654

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Renovation RM	Motor vehicles RM	Total RM
Company							
30.09.2020							
Cost							
At 1 April 2019/30 September 2020	4,608,783	21,384	23,306	32,770	153,572	392,180	5,231,995
Accumulated Depreciation							
At 1 April 2019	914,989	18,731	23,305	25,600	115,221	392,179	1,490,025
Charge for the financial period	345,660	2,652	-	4,306	33,051	-	385,669
At 30 September 2020	1,260,649	21,383	23,305	29,906	148,272	392,179	1,875,694
Net Carrying Amount							
At 30 September 2020	3,348,134	1	1	2,864	5,300	1	3,356,301
31.03.2019							
Cost							
At 1 April 2018	4,608,783	21,384	23,306	29,215	153,572	392,180	5,228,440
Additions	-	-	-	3,555	-	-	3,555
At 31 March 2019	4,608,783	21,384	23,306	32,770	153,572	392,180	5,231,995
Accumulated Depreciation							
At 1 April 2018	684,549	16,334	23,305	22,361	93,187	392,179	1,231,915
Charge for the financial year	230,440	2,397	-	3,239	22,034	-	258,110
At 31 March 2019	914,989	18,731	23,305	25,600	115,221	392,179	1,490,025
Net Carrying Amount							
At 31 March 2019	3,693,794	2,653	1	7,170	38,351	1	3,741,970

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(i) Net carrying amount of freehold office units of the Group and of the Company pledged to financial institutions as securities for term loans and bank overdrafts (Note 22) granted to the Group and the Company as at reporting date is as follows:

	Group and Company	
	30.09.2020	**31.03.2019**
	RM	**RM**
Freehold office units	2,163,623	2,387,448

(ii) Net carrying amount of freehold office units of the Group and of the Company pledged to financial institutions as securities for borrowings granted to its associate as at reporting date is as follows:

	Group and Company	
	30.09.2020	**31.03.2019**
	RM	**RM**
Freehold office units	-	1,306,346

As at 30 September 2020, the corporate guarantee for its associate's borrowings has been discharged and uplifted.

(iii) Net carrying amount of property, plant and equipment of the Group held under hire purchase arrangements as at reporting date is as follows:

	Group
	31.03.2019
	RM
Motor vehicles	449,837

9. RIGHT-OF-USE ASSETS

	Lease of premises RM	**Motor vehicles RM**	**Total RM**
Group			
30.09.2020			
Cost			
At 1 April 2019, as previously reported	-	-	-
Effect on adoption of MFRS 16	435,003	639,716	1,074,719
At 1 April 2019, as restated/ 30 September 2020	435,003	639,716	1,074,719
Accumulated Depreciation			
At 1 April 2019, as previously reported	-	-	-
Effect on adoption of MFRS 16	-	398,357	398,357
At 1 April 2019, as restated	-	398,357	398,357
Charge for the financial period	207,045	149,997	357,042
At 30 September 2020	207,045	548,354	755,399
Net Carrying Amount			
At 30 September 2020	227,958	91,362	319,320

9. RIGHT-OF-USE ASSETS (cont'd)

The expenses charged to the profit and loss during the financial period are as follows:

	Group 01.04.2019 to 30.09.2020 RM
Depreciation of right-of-use assets	357,042
Interest expense on lease liabilities	48,281
Short-term leases	50,400
Lease of low value assets	26,856

10. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Intellectual property rights RM	Development costs RM	Total RM
Group				
30.09.2020				
Cost				
At 1 April 2019/30 September 2020	99,555,619	3,500,000	15,460,180	118,515,799
Accumulated Amortisation				
At 1 April 2019	-	831,250	7,387,155	8,218,405
Charge for the financial period	-	-	96,827	96,827
At 30 September 2020	-	831,250	7,483,982	8,315,232
Accumulated Impairment Loss				
At 1 April 2019	30,751,282	2,668,750	7,563,071	40,983,103
Impairment loss for the financial period	21,760,000	-	413,127	22,173,127
At 30 September 2020	52,511,282	2,668,750	7,976,198	63,156,230
Net Carrying Amount				
At 30 September 2020	47,044,337	-	-	47,044,337

10. INTANGIBLE ASSETS (cont'd)

	Goodwill on consolidation RM	Intellectual property rights RM	Development costs RM	Total RM
Group				
31.03.2019				
Cost				
At 1 April 2018	30,751,282	3,500,000	15,460,180	49,711,462
Addition (Note 11(a))	68,804,337	-	-	68,804,337
At 31 March 2019	99,555,619	3,500,000	15,460,180	118,515,799
Accumulated Amortisation				
At 1 April 2018	-	656,250	6,671,199	7,327,449
Charge for the financial year	-	175,000	715,956	890,956
At 31 March 2019	-	831,250	7,387,155	8,218,405
Accumulated Impairment Loss				
At 1 April 2018	22,567,297	-	2,663,366	25,230,663
Impairment loss for the financial year	8,183,985	2,668,750	4,899,705	15,752,440
At 31 March 2019	30,751,282	2,668,750	7,563,071	40,983,103
Net Carrying Amount				
At 31 March 2019	68,804,337	-	509,954	69,314,291

(a) Intellectual property rights

The intellectual property rights relate to e-Enterprise Resources Planning Application that was assigned by one of the subsidiary's Director on 18 June 2014. The intellectual property rights are amortised over a period 20 years.

(b) Development costs

Development costs are related to costs incurred in developing software products and are capitalised until the products are available for general release to customers. The development costs are amortised over an average period of 5 to 15 years.

(c) Amortisation expense

The amortisation expense is shown in the "amortisation of intangible assets" line item in the statements of comprehensive income.

10. INTANGIBLE ASSETS (cont'd)

Impairment testing for goodwill, intellectual property rights and development costs

Goodwill arising from business combinations, intellectual property rights and development costs have been allocated to six individual cash-generating units ("CGUs") for impairment testing as follows:

- Murasaki Technology Sdn. Bhd. ("MTSB")
- CSS MSC Sdn. Bhd. ("CSS MSC")
- DDSB (M) Sdn. Bhd. ("DDSB")
- EA MSC Sdn. Bhd. ("EA MSC")
- Sunland Volonte Agency Sdn. Bhd. ("Sunland")
- EASS Sdn. Bhd. ("EASS")

Goodwill

As at 30 September 2020, the carrying amount of goodwill allocated to Sunland is RM47,044,337 (31.03.2019: RM68,804,337). In prior years, the goodwill allocated to MTSB, DDSB, EA MSC and EASS respectively has been fully impaired.

The recoverable amount of Sunland has been determined based on value-in-use calculation using cash flows projections from financial budgets approved by Board of Directors covering a five-year period.

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

(i) Revenue

Revenue is projected based on forecasted growth rates of 5% (31.03.2019: Between the range of 5 - 10%) based on past performance of the segment as well as future demand outlook. Terminal value based on the fifth-year cash flows without incorporating any growth rate.

(ii) Gross margin

Gross margins are based on the average value achieved in the four years preceding to the start of the budget period. Gross margins are assumed to be maintained over the budgeted period.

(iii) Pre-tax discount rate

Pre-tax discount rate of 10.15% (31.03.2019: 9.2%) per annum applied to the cash flows was used in determining the recoverable amount of the CGU. The discount rate used is based on the weighted average cost of capital of the Company.

Development costs

As at 31 March 2019, the carrying amount of development costs allocated to CSS MSC is RM509,954. In prior years, the intellectual property rights and development costs allocated to MTSB, DDSB and EA MSC respectively have been fully impaired.

The recoverable amount of CSS MSC has been determined based on value-in-use calculation using cash flows projections from financial budgets approved by Board of Directors covering a five-year period.

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

(i) Revenue

Revenue is projected based on the current projects on hand, projects on bidding as well as average historical revenue achieved in the past four years. These are not expected to be higher than the four years average revenue achieved.

10. INTANGIBLE ASSETS (cont'd)

Impairment testing for goodwill, intellectual property rights and development costs (cont'd)

Development costs (cont'd)

(ii) Gross margin

Gross margins are based on the average value achieved in the four years preceding to the start of the budget period. Gross margins are assumed to be maintained over the budgeted period.

(iii) Pre-tax discount rate

Pre-tax discount rate of 9.2% per annum applied to the cash flows was used in determining the recoverable amounts of the CGUs. The discount rate used is based on the weighted average cost of capital of the Company.

Management believes that any reasonably possible change in the key assumptions on which the intangible assets recoverable amount is based on would not cause the carrying amount to exceed its recoverable amount. Actual outcomes could vary from these estimates. Management considered that any reasonable possible changes in the above key assumptions applied are not likely to cause the recoverable amount of the CGUs to be lower than its carrying amount.

Impairment loss recognised

(i) Development costs and intellectual property rights

During the financial period/year, total impairment loss for development costs amounted to RM413,127 (31.03.2019: RM4,899,705) was recognised to write-down the carrying amounts of development costs shown in the ''impairment loss on development costs'' line item in the statements of comprehensive income.

The intellectual property rights were fully impaired last year as there is no indication from past records to show the improvement trend of results and the future economic benefit likely not be materialised due to the recent downturn of IT segment.

(ii) Goodwill

During the financial period/year, total impairment loss amounted to RM21,760,000 (2019: RM8,183,985) was recognised to write-down the carrying amounts of goodwill attributable to individual CGUs as follows:

	Group	
	01.04.2019 to 30.09.2020 RM	**01.04.2018 to 31.03.2019 RM**
MTSB	-	6,895,628
DDSB	-	676,403
EA MSC	-	611,954
Sunland	21,760,000	-
	21,760,000	8,183,985

The impairment loss has been recognised in the statements of comprehensive income under the line item "impairment loss on goodwill".

11. INVESTMENT IN SUBSIDIARIES

	Company 30.09.2020 RM	Company 31.03.2019 RM
Unquoted shares, at cost		
At beginning of the financial period/year	150,131,000	71,381,000
Addition	-	78,750,000
At end of the financial period/year	150,131,000	150,131,000
Capital contribution to subsidiaries		
At beginning of the financial period/year	38,432,070	-
Addition	1,221,936	38,432,070
At end of the financial period/year	39,654,006	38,432,070
Accumulated Impairment Losses		
At beginning of the financial period/year	84,948,666	49,342,411
Impairment loss for the financial period/year	24,078,119	35,606,255
At end of the financial period/year	109,026,785	84,948,666
Net Carrying Amount		
At end of the financial period/year	80,758,221	103,614,404

The capital contribution to subsidiaries during the financial period/year amounted to RM1,221,936 (31.03.2019: RM38,432,070) was in relation to advances that are not expected to be repaid in foreseeable future and in substance, represents additional investments into the subsidiaries by the Company.

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 30.09.2020 %	Effective Equity Interest 31.03.2019 %
CSS MSC Sdn. Bhd.	Malaysia	Provision of business intelligence software and development, IT service management consultancy and system integration	100	100
DDSB (M) Sdn. Bhd.	Malaysia	Information technology, consultancy services and software development	86	86
Colwyn Bay Technologies Sdn. Bhd.	Malaysia	Investment holding	100	100
Murasaki Technology Sdn. Bhd.	Malaysia	E-business consultancy and system integration	100	100
Sunland Volonte Agency Sdn. Bhd.	Malaysia	Food and beverage distribution	90	90

11. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows: (cont'd)

Name of Subsidiaries	**Country of Incorporation**	**Principal Activities**	**Effective Equity Interest 30.09.2020 %**	**31.03.2019 %**
Subsidiary of Colwyn Bay Technologies Sdn. Bhd.				
EASS Sdn. Bhd.	Malaysia	E-business consultancy and system integration	100	100
Subsidiary of EASS Sdn. Bhd.				
EA MSC Sdn. Bhd.	Malaysia	Hardware system integration, mechanical and engineering services	100	100

(a) Acquisition of a subsidiary

In prior year, the Company acquired 90% equity interest in Sunland, via cash consideration of RM15,000,000 and issuance of 1,593,750,000 new ordinary shares of RM0.04 per share amounting to RM63,750,000, for total purchase consideration of RM78,750,000. For accounting purposes, the cut-off was taken on 30 April 2018.

The fair values of the identifiable assets and liabilities of Sunland as at the date of acquisition were:-

	As at 30 April 2018 RM
Property, plant and equipment	3,036,544
Inventories	2,183,068
Trade receivables	4,797,012
Other receivables	1,274,658
Cash and bank balances	800,688
Trade payables	(91,794)
Other payables and accruals	(134,219)
Hire purchase payables	(59,575)
Deferred tax liabilities	(457,192)
Tax payable	(298,453)
Fair value of net identifiable assets acquired	11,050,737

11. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Acquisition of a subsidiary (cont'd)

The effect of the acquisition on cash flows is as follows:-

Net cash flow arising from acquisition of a subsidiary	**RM**
Cash consideration	15,000,000
Less: Cash and cash equivalents of the subsidiary acquired	(800,688)
Net cash outflow from acquisition of a subsidiary	14,199,312

Goodwill arising from business combination	**RM**
Fair value of consideration transferred:	
- Cash and cash equivalents	15,000,000
- Equity instruments issued (1,593,750,000 ordinary shares)	63,750,000
	78,750,000
Less:	
- Fair value of net identifiable assets acquired	11,050,737
- Attributable to non-controlling interest	(1,105,074)
Goodwill on consolidation (Note 10)	68,804,337

(b) Impairment loss on investment in subsidiaries

As at 30 September 2020, the Group carried out a review of the recoverable amounts of its investment in subsidiaries arising from the continuous loss-making and significant accumulated losses position. An impairment loss amounting to RM24,078,119 (31.03.2019: RM35,606,255) was recognised and stated as a separate line item in the statements of comprehensive income for the financial period ended 30 September 2020. The recoverable amounts were derived either based on VIU which was measured based on cash flows projections or fair value less costs of disposal which was measured based on adjusted net assets of the respective subsidiaries.

(c) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	Sunland RM	**DDSB (M) Sdn. Bhd. RM**	**Total RM**
30.09.2020			
NCI percentage of ownership and voting interest	10%	14%	
Carrying amount to NCI (RM)	2,043,873	(939,223)	1,104,650
Profit/(loss) allocated to NCI (RM)	627,831	(107,267)	520,564
31.03.2019			
NCI percentage of ownership and voting interest	10%	14%	
Carrying amount to NCI (RM)	1,416,042	(831,956)	584,086
Profit/(loss) allocated to NCI (RM)	310,968	(881,204)	(570,236)

11. INVESTMENT IN SUBSIDIARIES (cont'd)

(c) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	Sunland		DDSB	
	30.09.2020 RM	**31.03.2019 RM**	**30.09.2020 RM**	**31.03.2019 RM**
Assets and liabilities:				
Non-current assets	836,085	1,015,075	95,615	19,614
Current assets	20,215,003	12,580,015	931,204	1,033,994
Non-current liabilities	(25,558)	(71,331)	(37,956)	-
Current liabilities	(2,031,834)	(808,369)	(771,308)	(1,291,793)
Net assets/(liabilities)	18,993,696	12,715,390	217,555	(238,185)
Less: Capital contribution	-	-	(6,926,278)	(5,704,342)
Add: Fair value adjustment arising from Purchase Price Allocation exercise	1,384,812	1,445,022	-	-
Adjusted net assets/ (liabilities)	20,378,508	14,160,412	(6,708,723)	(5,942,527)

	Sunland		DDSB	
	01.04.2019 to 30.09.2020 RM	**01.05.2018 to 31.03.2019 RM**	**01.04.2019 to 30.09.2020 RM**	**01.04.2018 to 31.03.2019 RM**
Results:				
Revenue	30,319,269	19,401,506	1,740,380	843,494
Profit/(loss) for the financial period/year	6,278,306	3,109,675	(766,196)	(6,294,311)
Total comprehensive income	6,278,306	3,109,675	(766,196)	(6,294,311)
Cash flows:				
Cash flows from/(used in) operating activities	6,737,871	4,283,878	86,956	(587,267)
Cash flows from/(used in) investing activities	-	57,702	(17,810)	400
Cash flows (used in)/from financing activities	(1,728,500)	(857,861)	(326,979)	945,063
	5,009,371	3,483,719	(257,833)	358,196

12. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	30.09.2020 RM	31.03.2019 RM	30.09.2020 RM	31.03.2019 RM
Unquoted shares, at cost				
At beginning/end of the financial period/year	47,040,000	47,040,000	47,040,000	47,040,000
Add: Share of post-acquisition results				
At beginning of the financial period/year	13,237,320	14,205,098	-	-
Additions	1,559,205	(967,778)	-	-
At end of the financial period/year	14,796,525	13,237,320	-	-
Less: Accumulated impairment loss				
At beginning of the financial period/year	9,100,000	-	9,100,000	-
Impairment loss for the financial period/year	34,866,725	9,100,000	20,070,200	9,100,000
At end of the financial period/year	43,966,725	9,100,000	29,170,200	9,100,000
	17,869,800	51,177,320	17,869,800	37,940,000

(a) There is no quoted market price available for the shares as the associate is a private company.

(b) The details of the associate are as follows:

Name of Associate	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 30.09.2020	Proportion of Ownership Interest 31.03.2019
Cekap Air Sdn. Bhd.	Malaysia	Provision of hydraulic mechanical and electrical engineering services for water supply and treatment plant	20%	20%

(c) As at 30 September 2020, the financial guarantee provided by the Company to the associate has been uplifted and discharged. In prior year, the financial guarantee provided by the Company to the associate is disclosed in Note 30(i).

12. INVESTMENT IN AN ASSOCIATE (cont'd)

(d) The summarised financial information of the associate, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	30.09.2020 RM	31.03.2019 RM
Assets and liabilities:		
Non-current assets	832,620	1,382,612
Current assets	150,535,079	126,422,517
Non-current liabilities	(268,425)	(1,632,013)
Current liabilities	(61,750,273)	(41,744,064)
Net assets	89,349,001	84,429,052

	01.04.2019 to 30.09.2020 RM	01.04.2018 to 31.03.2019 RM
Results:		
Revenue	53,749,295	35,129,317
Profit/(loss) for the financial period/year	7,796,026	(4,838,892)
Total comprehensive income	7,796,026	(4,838,892)
Cash flows:		
Cash flows from operating activities	6,927,715	693,942
Cash flows from/(used in) investing activities	1,228,712	(153,873)
Cash flows used in financing activities	(1,450,971)	(362,978)
	6,705,456	177,091

(e) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

	Group	
	30.09.2020 RM	31.03.2019 RM
Group's share of net assets	17,869,800	16,885,810
Goodwill	-	34,291,510
Carrying amount in the statements of financial position	17,869,800	51,177,320
Group's share of results, net of tax	1,559,205	(967,778)

(f) Impairment loss

As at 30 September 2020, the Group and the Company carried out an annual review of the recoverable amount of its investment in CASB. An impairment loss amounted to RM34,866,725 (31.03.2019: RM9,100,000) and RM20,070,200 (31.03.2019: RM9,100,000) respectively was recognised and stated as a separate line item in the statements of comprehensive income for financial period ended 30 September 2020.

The recoverable amount was derived based on the higher of VIU which was measured based on cash flows projections or fair value less costs of disposal which was measured based on adjusted net assets of CASB. In prior year, the recoverable amount was derived based on VIU which was measured based on cash flows projections.

13. TRADE RECEIVABLES

	Note	Group 30.09.2020 RM	Group 31.03.2019 RM
Non-current:			
Third parties	(a)	2,070,106	3,000,532
Current:			
Third parties		13,788,671	13,730,185
Less: Allowance for impairment loss		(2,884,793)	(2,777,739)
	(a)	10,903,878	10,952,446
Retention sum		305,594	304,539
		11,209,472	11,256,985

The normal credit terms of the trade receivables of the Company ranging from 30 to 60 days (31.03.2019: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

(a) The trade receivables can be analysed as follows:

	Group 30.09.2020 RM	Group 31.03.2019 RM
Present value of trade receivables:		
- Repayable within one year	10,903,878	10,952,446
- Repayable more than 1 year but not more than 5 years	2,070,106	3,000,532
	12,973,984	13,952,978
Future minimum payments:		
- Repayable within one year	11,197,404	11,120,944
- Repayable more than 1 year but not more than 5 years	2,339,971	3,839,972
	13,537,375	14,960,916
Less: Unamortised interest	(563,391)	(1,007,938)
	12,973,984	13,952,978

The effective interest rate is the weighted average cost of capital of the Company of 9.20% per annum.

14. AMOUNTS DUE FROM SHAREHOLDERS OF A SUBSIDIARY

	Group and Company 30.09.2020 RM
Non-current	2,798,242
Current	649,773
	3,448,015

14. AMOUNTS DUE FROM SHAREHOLDERS OF A SUBSIDIARY (cont'd)

The amounts due from shareholders of a subsidiary can be analysed as follows:

	Group and Company 30.09.2020 RM
Present value of amounts due from shareholders of a subsidiary	
- Repayable within one year	649,773
- Repayable more than 1 year but not more than 5 years	2,798,242
	3,448,015
Future minimum payments:	
- Repayable within one year	1,000,000
- Repayable more than 1 year but not more than 5 years	3,468,640
	4,468,640
Less: Unamortised interest	(1,020,625)
	3,448,015

The effective interest rate is the weighted average cost of capital of the Company of 10.15% per annum.

<u>Income from shortfall in profit guarantee arising from acquisition of Sunland</u>

Pursuant to the acquisition of Sunland that was completed on 27 April 2018, the shareholders (hereby also referred as the vendors) of Sunland have jointly and severally agreed to undertake and guarantee a minimum profit guarantee for a period of two years. Consequent thereon, the vendors would compensate any shortfall arising from the profit guarantee period to the Company.

During the financial period, the Board of Directors of the Company has jointly agreed with the vendors on the shortfall in profit is RM4,468,640, which will be repaid over 9 instalments. After adjusting for the fair value adjustment of RM1,020,625, the net income of RM3,448,015 from the shortfall in profit guarantee was recognised in the "income from shortfall in profit guarantee, net of fair value adjustment" line item in the statements of comprehensive income for the financial period ended 30 September 2020.

15. INVENTORIES

	Group	
	30.09.2020 RM	31.03.2019 RM
At cost:		
- RFID integrated products	218,133	229,800
- Food and beverages	3,479,327	2,302,129
	3,697,460	2,531,929

The Group recognised inventories as cost of sales amounted to RM23,918,556 (31.03.2019: RM16,755,375).

In prior year, the Group has written off inventory of RM986,000 which was recognised as an expense in the line item ''inventories written off'' in the statements of comprehensive income.

16. OTHER RECEIVABLES

	Group		Company	
	30.09.2020 RM	31.03.2019 RM	30.09.2020 RM	31.03.2019 RM
Other receivables, gross	6,224,379	3,997,893	6,036,884	3,828,136
Less: Allowance for impairment loss	(546,470)	-	(481,900)	-
Other receivables, net	5,677,909	3,997,893	5,554,984	3,828,136
Deposits	530,715	1,232,947	16,900	41,967
Prepayments	1,164,260	2,574,132	-	-
	7,372,884	7,804,972	5,571,884	3,870,103

17. CONTRACT ASSETS/LIABILITIES

		Group	
	Note	30.09.2020 RM	31.03.2019 RM
Contract assets:			
- Long-term service contract	(a)	1,891,398	776,065
- Deferred income		78,280	149,075
		1,969,678	925,140
Contract liabilities:			
- Long-term service contract	(a)	85,278	-
- Advances from customers		168,000	-
- Deferred income		620,399	1,250,872
		873,677	1,250,872

(a) Long-term service contract

	30.09.2020 RM	31.03.2019 RM
Contract costs incurred to-date	6,650,335	1,188,365
Attributable profits	1,578,709	176,703
	8,229,044	1,365,068
Less: Progress billings	(6,422,924)	(589,003)
Contract assets, net	1,806,120	776,065
Represented by:		
Contract assets	1,891,398	776,065
Contract liabilities	(85,278)	-
	1,806,120	776,065

18. AMOUNT DUE FROM AN ASSOCIATE

This non-trade amount represents unsecured, interest-free advance which is collectible on demand.

19. CASH AND CASH EQUIVALENTS

(a) Fixed deposits placed with licensed banks

The effective interest rates of the fixed deposits placed with licensed banks range from 1.30% to 3.00% (31.03.2019: 2.80% to 3.35%) per annum. The short-term deposit has maturity period ranging from 1 to 12 months (31.03.2019: 1 to 12 months).

The fixed deposits with licensed banks of the Group and of the Company have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 22.

(b) Short-term money market deposit

The effective interest rate of the short-term money market deposit placed with a licensed bank of the Group is 2.5% (31.03.2019: 2.5%) per annum. The short-term money market deposit has maturity period ranging from 1 to 3 days (31.03.2019: 1 to 3 days).

20. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	30.09.2020 Units	31.03.2019 Units	30.09.2020 RM	31.03.2019 RM
Ordinary shares				
Issued and fully paid:				
At beginning of the financial period/year	5,072,352,068	3,478,598,004	198,034,778	134,284,411
Issued during the period/year	-	1,593,750,000	-	63,750,000
Exercise of warrants:				
- Warrants B [Note 20(b)(i)]	-	4,064	-	367
- Warrants C [Note 20(b)(ii)]	8,496	-	593	-
At end of the financial period/year	5,072,360,564	5,072,352,068	198,035,371	198,034,778

(a) Ordinary Shares

30.09.2020

During the financial period, 8,496 of Warrants C 2014/2019 ("Warrants C") were exercised at an exercise price of RM0.07 per warrant, hence the Company paid-up share capital was increased from RM198,034,778 to RM198,035,371.

31.03.2019

On 27 April 2018, the Company has increased its paid-up share capital from RM134,284,411 to RM198,034,411 by way of issuance and allotment of 1,593,750,000 new ordinary shares at an issue price of RM0.04 per share for the purpose of acquisition of a subsidiary as further disclosed in Note 11(a).

In prior year, 4,064 of Warrants B 2014/2019 ("Warrants B") were exercised at an exercise price of RM0.09 per warrant, hence the Company paid-up share capital was increased from RM198,034,411 to RM198,034,778.

20. SHARE CAPITAL (cont'd)

(a) Ordinary Shares (cont'd)

The holder of ordinary shares is 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 regards to the Company's residual interests.

(b) Detachable Warrants

(i) Warrant B 2014/2019

In 2014, the Company issued 94,483,666 free warrants on the basis of two (2) free warrants for every nine (9) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.18 per warrant. Subsequently, the exercise price of the warrant was adjusted from RM0.18 to RM0.14 and additional 28,293,156 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

In 2016, the exercise price of the warrant was further adjusted from RM0.14 to RM0.12 and additional 24,555,364 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

In 2018, the exercise price of the warrant was further adjusted from RM0.12 to RM0.09 and additional 85,451,758 warrants were issued arising from the adjustments pursuant to the right issue exercise.

In prior year, 4,064 of warrants were exercised at an exercise price of RM0.09 per warrant and the total numbers of warrants that remain unexercised amounted to 232,779,880 were expired and lapsed on 22 February 2019.

The movement in this warrant is as follows:

	Group and Company 31.03.2019 Units
Balance as at beginning of the financial year	232,783,944
Exercised	(4,064)
Lapsed	(232,779,880)
Balance as at end of the financial year	-

The salient features of the warrants are as follows:

(1) Each warrant entitles the registered holder, at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.09 each, subject to adjustments in accordance with the provisions of Deed Poll;

(2) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day; and

20. SHARE CAPITAL (cont'd)

(b) Detachable Warrants (cont'd)

(i) Warrant B 2014/2019 (cont'd)

The salient features of the warrants are as follows: (cont'd)

(3) The new ordinary shares to be issued pursuant to the exercise of the warrants upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company except that the new ordinary shares shall not be entitled to any dividend, rights, allotment and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the rights shares.

(ii) Warrants C 2014/2019

In 2014, the Company issued 212,588,250 free detachable warrants pursuant to the rights issue with warrants on the basis of one (1) free warrant for every two (2) rights shares subscribed for. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.12 per warrant. The fair value of the Warrants C was determined as RM0.0236.

In 2016, the exercise price of the warrant was adjusted from RM0.12 to RM0.10 and additional 42,517,650 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

In 2018, the exercise price of the warrant was further adjusted from RM0.10 to RM0.07 and additional 147,961,232 warrants were issued arising from the adjustments pursuant to the right issue exercise.

The movement in this warrant is as follows:

	Group and Company	
	30.09.2020 Units	31.03.2019 Units
Balance as at beginning of the financial period/year	403,067,132	403,067,132
Exercised	(8,496)	-
Lapsed	(403,058,636)	-
Balance as at end of the financial period/year	-	403,067,132

The salient features of the warrants are as follows:

(1) The issue date of the warrants is 24 June 2014 and the expiry date is 18 June 2019. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(2) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share at an exercise price of RM0.07 per ordinary share;

(3) The exercise price and the number of warrants is subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

20. SHARE CAPITAL (cont'd)

(b) Detachable Warrants (cont'd)

(ii) Warrants C 2014/2019 (cont'd)

The salient features of the warrants are as follows: (cont'd)

(4) The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mention in item (3) above), until and unless such holders exercise the rights under the warrants to subscribe for new ordinary shares; and

(5) The new ordinary shares to be issued upon exercise of warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividend, rights, allotments or other distributions, except that they will not entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

The total number of warrants that remain unexercised amounted to 403,058,636 units expired and lapsed on 18 June 2019.

(iii) Warrants D 2017/2022

In 2018, the Company issued 993,885,016 free detachable warrants pursuant to the rights issue with warrants on the basis of two (2) free warrants for every four (4) rights shares subscribed for. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share each in the Company at an exercise price of RM0.05 per warrant. The fair value of the Warrants D was determined as RM0.01.

The movement in this warrant is as follows:

	Group and Company	
	30.09.2020	**31.03.2019**
	Units	**Units**
Balance as at beginning/end of the financial period/year	993,885,016	993,885,016

The salient features of the warrants are as follows:

(1) The issue date of the warrants is 1 November 2017 and the expiry date is 25 October 2022. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(2) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.05 per ordinary share;

(3) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day;

20. SHARE CAPITAL (cont'd)

(b) Detachable Warrants (cont'd)

(iii) Warrants D 2017/2022 (cont'd)

The salient features of the warrants are as follows: (cont'd)

(4) The exercise price and the number of warrants is subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company; and

(5) The new ordinary shares to be issued upon exercise of warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividend, rights, allotments or other distributions, except that they will not entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

(iv) Warrants E 2018/2023

In prior year, the Company issued 1,087,061,194 free detachable warrants pursuant to the bonus issue on the basis of five (5) free warrants for every sixteen (16) existing ordinary shares of the Company held at an exercise price of RM0.035 per warrant.

The movement in this warrant is as follows:

	Group and Company	
	30.09.2020	**31.03.2019**
	Units	**Units**
Balance as at beginning/end of the financial period/year	1,087,061,194	1,087,061,194

The salient features of the warrants are as follows:

(1) The issue date of the warrants is 23 April 2018 and the expiry date is 22 April 2023. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(2) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.035 per ordinary share;

(3) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day;

(4) The exercise price and the number of warrants is subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company; and

20. SHARE CAPITAL (cont'd)

(b) Detachable Warrants (cont'd)

(iv) Warrants E 2018/2023 (cont'd)

The salient features of the warrants are as follows: (cont'd)

(5) The new ordinary shares to be issued upon exercise of warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividend, rights, allotments or other distributions, except that they will not entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

21. RESERVES

		Group		Company	
		30.09.2020	31.03.2019	30.09.2020	31.03.2019
	Note	RM	RM	RM	RM
Non-distributable reserve:					
Warrants reserve	(a)	9,938,851	19,441,546	9,938,851	19,441,546
Other reserve	(b)	(13,737,745)	(13,737,745)	-	-
Distributable reserve:					
Accumulated losses		(72,615,172)	(28,239,272)	(88,500,033)	(53,429,544)
		(76,414,066)	(22,535,471)	(78,561,182)	(33,987,998)

(a) Warrants reserve

	Group and Company	
	30.09.2020	31.03.2019
	RM	RM
At beginning of the financial period/year	19,441,546	19,441,546
Transfer to accumulated losses	(9,502,695)	-
At end of the financial period/year	9,938,851	19,441,546

This reserve comprises the recognition of fair value of the Company's warrants arising from the additional share issuance attached with warrants.

(b) Other reserve

The other reserve represents the excess of consideration over net assets acquired arising from step acquisition which is recognised as movement in equity of the Group.

22. BORROWINGS

		Group		Company	
		30.09.2020	31.03.2019	30.09.2020	31.03.2019
	Note	RM	RM	RM	RM
Non-current:					
Hire purchase payables	(a)	-	298,646	-	-
Term loans	(b)	1,514,251	1,604,002	1,514,251	1,604,002
		1,514,251	1,902,648	1,514,251	1,604,002
Current:					
Hire purchase payables	(a)	-	200,402	-	-
Term loans	(b)	127,971	122,626	127,971	122,626
Bank overdrafts	(c)	3,234,876	1,435,829	472,070	477,436
		3,362,847	1,758,857	600,041	600,062
Total		4,877,098	3,661,505	2,114,292	2,204,064

The remaining maturities of the borrowings as at the reporting are as follows:

	Group		Company	
	30.09.2020	31.03.2019	30.09.2020	31.03.2019
	RM	RM	RM	RM
On demand or within 1 year	3,362,847	1,758,857	600,041	600,062
More than 1 year but not more than 2 years	134,318	250,389	134,318	128,516
More than 2 years but not more than 5 years	442,633	601,906	442,633	425,133
More than 5 years	937,300	1,050,353	937,300	1,050,353
	4,877,098	3,661,505	2,114,292	2,204,064

The range of interest rates per annum at the reporting date for the borrowings are as follows:

	Group		Company	
	30.09.2020	31.03.2019	30.09.2020	31.03.2019
	%	%	%	%
Bank overdrafts	7.35 - 8.35	7.35 - 8.35	7.35 - 8.35	7.35 - 8.35
Hire purchase payables	-	4.42 - 6.54	-	-
Term loans	4.70	4.70	4.70	4.70

22. BORROWINGS (cont'd)

(a) Hire purchase payables

	Group 31.03.2019 RM
Future minimum lease payments:	
Payable within one year	220,260
Payable more than 1 year but not more than 2 years	133,454
Payable more than 2 years but not more than 5 years	185,575
	539,289
Less: Future finance charges	(40,241)
Present value of future minimum lease payments	499,048
Present value of future minimum lease payments:	
Payable within one year	200,402
Payable more than 1 year but not more than 2 years	121,873
Payable more than 2 years but not more than 5 years	176,773
	499,048
Analysed as:	
Current	200,402
Non-current	298,646
	499,048

(b) Term loans

	Group and Company	
	30.09.2020 RM	31.03.2019 RM
Current:		
Within one year	127,971	122,626
Non-current:		
Payable within one year	134,318	128,516
Payable more than 1 year but not more than 2 years	442,633	425,133
Payable more than 2 years but not more than 5 years	937,300	1,050,353
	1,514,251	1,604,002
	1,642,222	1,726,628

Term loans are secured by the following:

(i) Freehold office units as disclosed in Note 8(i); and

(ii) A legal assignment over the rights and interest to the rental income under the Tenancy Agreement between the Company and the tenants selected by the Company.

22. BORROWINGS (cont'd)

(c) Bank overdrafts

Bank overdrafts are secured by the following:

(i) Freehold office units disclosed in Note 8(i);

(ii) A legal assignment over the rights and interest to the rental income under the Tenancy Agreement between the Company and the tenants selected by the Company;

(iii) A charge by the Group and the Company on fixed deposits as disclosed in Note 19(a);

(iv) A fresh guarantee of RM8,500,000 jointly by Directors of the Company;

(v) Jointly and severally guaranteed by the Director of a subsidiary; and

(vi) Corporate guarantee by the Company.

23. LEASE LIABILITIES

	Motor vehicle RM	Lease of premises RM	Total RM
Group			
30.09.2020			
Future minimum lease payments:			
Payable within one year	89,318	159,000	248,318
Payable more than 1 year but not more than 2 years	61,554	97,000	158,554
Payable more than 2 years but not more than 5 years	46,161	-	46,161
	197,033	256,000	453,033
Less: Unexpired finance charges	(11,642)	(9,881)	(21,523)
Present value of future minimum lease payments	185,391	246,119	431,510
Present value of future minimum lease payments:			
Payable within one year	82,335	150,808	233,143
Payable more than 1 year but not more than 2 years	57,809	95,311	153,120
Payable more than 2 years but not more than 5 years	45,247	-	45,247
	185,391	246,119	431,510
Analysed as:			
Current	82,335	150,808	233,143
Non-current	103,056	95,311	198,367
	185,391	246,119	431,510

23. LEASE LIABILITIES (cont'd)

The range of interest rates per annum at the reporting date for the lease liabilities are as follows:

	30.09.2020 %
Hire purchase (motor vehicles)	5.04 - 6.54
Premises	4.68

24. DEFERRED TAX LIABILITIES

	Group	
	30.09.2020 RM	31.03.2019 RM
At beginning of the financial period/year	468,311	37,168
Recognised in profit or loss (Note 6)	(43,677)	(26,049)
Fair value adjustment in respect of acquisition of a subsidiary (Note 11(a))	-	457,192
At end of the financial period/year	424,634	468,311

The recognised deferred tax (assets)/liabilities before offsetting are as follows:

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Provision RM	Total RM
Group				
Deferred tax assets:				
At 1 April 2019	(1,528)	-	(33,927)	(35,455)
Recognised in profit or loss	(4,745)	-	17,364	12,619
At 30 September 2020	(6,273)	-	(16,563)	(22,836)
At 1 April 2018	(903)	(24,776)	(43,077)	(68,756)
Acquisition of a subsidiary	-	-	(21,986)	(21,986)
Recognised in profit or loss	(625)	24,776	31,136	55,287
At 31 March 2019	(1,528)	-	(33,927)	(35,455)

24. DEFERRED TAX LIABILITIES (cont'd)

	Property, plant and equipment RM	Fair value adjustment in respect of acquisition of a subsidiary RM	Total RM
Group			
Deferred tax liabilities:			
At 1 April 2019	47,443	456,323	503,766
Recognised in profit or loss	(37,283)	-	(37,283)
Crystalisation of fair value adjustment	-	(19,013)	(19,013)
At 30 September 2020	10,160	437,310	447,470
At 1 April 2018	105,924	-	105,924
Acquisition of a subsidiary	22,855	-	22,855
Recognised in profit or loss	(81,336)	-	(81,336)
Fair value adjustment in respect of acquisition of a subsidiary	-	456,323	456,323
At 31 March 2019	47,443	456,323	503,766

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group		Company	
	30.09.2020 RM	31.03.2019 RM	30.09.2020 RM	31.03.2019 RM
Unutilised tax losses	27,684,247	25,041,477	-	-
Unabsorbed capital allowances	548,513	837,552	-	-
Other deductible temporary differences	2,910,512	2,065,838	-	-
	31,143,272	27,944,867	-	-

The comparative figures have been restated to reflect the actual tax losses carry forward, capital allowances and other deductible temporary differences available to the Company and its subsidiaries.

25. TRADE PAYABLES

The normal credit terms granted by the trade creditors to the Group and to the Company ranging from 30 to 90 days (31.03.2019: 30 to 90 days).

26. OTHER PAYABLES

	Group		Company	
	30.09.2020	31.03.2019	30.09.2020	31.03.2019
	RM	RM	RM	RM
Other payables	1,066,272	920,279	294,106	486,020
Accruals	673,252	630,731	110,722	82,011
Deposits received	183,524	19,200	34,050	19,200
	1,923,048	1,570,210	438,878	587,231

27. AMOUNTS DUE TO SUBSIDIARIES AND DIRECTORS

These non-trade amounts represent unsecured, interest-free advances which are repayable on demand.

28. RELATED PARTIES DISCLOSURES

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have a related party relationship with its subsidiaries, associate, shareholders of a subsidiary and key management personnel.

(b) Related party transactions

The related party balances are shown in Notes 14, 18 and 27 respectively. The related party transactions of the Group and of the Company are shown below.

	Group		Company	
	01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019	01.04.2019 to 30.09.2020	01.04.2018 to 31.03.2019
	RM	RM	RM	RM
Transactions with subsidiaries:				
- Advances from/ (advances to), net	-	-	8,468,166	(5,601,600)
- Rental income	-	-	(54,000)	(36,000)
Transactions with an associate:				
- Repayment from, net	955,837	3,290,000	955,837	3,290,000
Transactions with Directors:				
- (Repayment to)/ Advances from	(28,290)	10,062	(13,790)	10,062

28. RELATED PARTIES DISCLOSURES (cont'd)

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly, including any Directors of the Company and its subsidiaries.

The remunerations paid by the Group and the Company to key management personnel during the financial period/year has been disclosed in Note 5(b).

29. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

i.	ICT consultancy	E-business software application
ii.	Software solution	Provision of business intelligence software and development, IT service management consultancy and system integration
iii.	RFID system	Hardware system integration, mechanical and engineering services, access control system and building automation system
iv.	F&B distribution	Sales and distribution of food and beverages products
v.	Investment holding	Investment in subsidiaries

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3(t). Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

29. SEGMENT INFORMATION (cont'd)

	Note	ICT Consultancy RM	Software Solution RM	RFID System RM	F&B Distribution RM	Investment Holding RM	Elimination RM	Total RM
30.09.2020								
Revenue:								
External sales		8,337,917	4,470,729	7,325,797	30,319,269	-	-	50,453,712
Inter-segment sales	A	-	120,000	-	-	-	(120,000)	-
Total revenue		8,337,917	4,590,729	7,325,797	30,319,269	-		50,453,712
Results:								
Amortisation of development costs		-	96,827	-	-	-	-	96,827
Deposit written off		-	500,000	-	-	-	-	500,000
Depreciation of property, plant and equipment		74,458	20,202	92,016	152,332	385,669	79,223	803,900
Depreciation of right-of-use assets		179,803	49,626	150,581	26,658	-	(49,626)	357,042
Impairment loss on:								
- development costs		-	413,127	-	-	-	-	413,127
- goodwill		-	-	-	-	-	21,760,000	21,760,000
- investment in subsidiaries		2,999,999	-	-	-	29,802,867	(32,802,866)	-
- investment in an associate		-	-	-	-	20,070,200	14,796,525	34,866,725
- trade receivables		-	332,681	393,777	220,482	-	-	946,940
- other receivables		-	-	64,570	-	481,900	-	546,470
Loss/(gain) on foreign exchange:								
- realised		-	2,111	-	-	-	-	2,111
- unrealised		-	(750)	-	-	-	-	(750)
Trade receivables written off		-	611	-	-	-	-	611
Right-of-use assets:								
- Short-term leases		-	-	50,400	-	-	-	50,400
- Lease of low value assets		11,556	-	15,300	-	-	-	26,856
Accretion of interest income on deferred receivable		(444,547)	-	-	-	-	-	(444,547)
Gain on disposal of property, plant and equipment		(89,716)	(185)	-	-	-	-	(89,901)
Interest income		(15,433)	(110)	(18,373)	(131,893)	(114,375)	-	(280,184)
Income from shortfall in profit guarantee, net of fair value adjustment		-	-	-	-	(3,448,015)	-	(3,448,015)
Rental income		-	-	(26,640)	-	(126,195)	54,000	(98,835)
Reversal of impairment loss on trade receivables		-	(73,242)	(123,544)	-	-	-	(196,786)
Wages subsidy		(75,600)	(5,400)	(75,600)	(118,800)	-	-	(275,400)
Write back of payable		-	(33,000)	-	-	-	-	(33,000)

29. SEGMENT INFORMATION (cont'd)

	Note	ICT Consultancy RM	Software Solution RM	RFID System RM	F&B Distribution RM	Investment Holding RM	Elimination RM	Total RM
30.09.2020 (cont'd)								
Segment results		(2,182,189)	(1,253,961)	(3,387,175)	8,351,881	(48,869,985)	(4,983,705)	(52,325,134)
Interest expense		(63,030)	(7,524)	(253,998)	(5,277)	(286,439)	6,776	(609,492)
Share of result of associate, net of tax		-	-	-	-	-	1,559,205	1,559,205
(Loss)/profit before tax		(2,245,219)	(1,261,485)	(3,641,173)	8,346,604	(49,156,424)		(51,375,421)
Tax expense		(107,150)	177,023	-	(2,068,298)	(3,198)	19,013	(1,982,610)
(Loss)/profit for the financial year		(2,352,369)	(1,084,462)	(3,641,173)	6,278,306	(49,159,622)		(53,358,031)
Segment assets:								
Investment in associate		-	-	-	-	17,869,800	-	17,869,800
Other segment assets		14,932,371	3,541,155	7,688,634	21,051,088	114,641,751	(44,677,091)	117,177,908
Total assets	B	14,932,371	3,541,155	7,688,634	21,051,088	132,511,551		135,047,708
Segment liabilities	C	3,670,279	1,278,483	4,626,632	1,204,730	13,044,387	(12,734,914)	11,089,597
Other information:								
Additions to non-current assets excluding deferred tax assets and financial assets	D	21,413	30,891	26,357	-	-	-	78,661

29. SEGMENT INFORMATION (cont'd)

	Note	ICT Consultancy RM	Software Solution RM	RFID System RM	F&B Distribution RM	Investment Holding RM	Elimination RM	Total RM
31.03.2019								
Revenue								
External sales		1,697,000	472,041	5,104,303	19,401,506	-	-	26,674,850
Inter-segment sales	A	-	40,000	-	-	-	(40,000)	-
Total revenue		1,697,000	512,041	5,104,303	19,401,506	-		26,674,850
Results:								
Amortisation of:								
- development costs		-	565,382	150,574	-	-	-	715,956
- intellectual property		-	175,000	-	-	-	-	175,000
Depreciation of property, plant and equipment		189,094	551,301	57,999	185,237	258,110	-	1,241,741
Fair value adjustment on deferred receivable		1,007,938	-	-	-	-	-	1,007,938
Inventories written off		-	-	986,000	-	-	-	986,000
Impairment loss on:								
- development costs		-	4,071,550	828,155	-	-	-	4,899,705
- intellectual property			2,668,750	-	-	-	-	2,668,750
- goodwill		-	-	-	-	-	8,183,985	8,183,985
- investment in subsidiaries		-	-	-	-	35,606,255	(35,606,255)	-
- investment in an associate		-	-	-	-	9,100,000	-	9,100,000
- trade receivables		-	1,959,282	613,853	13,353	-	-	2,586,488
Reversal of impairment loss on investment in subsidiaries		-	-	-	-	(2,438,364)	2,438,364	-
Property, plant and equipment written off		-	180,906	-	-	-	-	180,906
Trade receivables written off		6,089,716	3,473,602	-	-	-	-	9,563,318
Loss on disposal of property, plant and equipment		-	2,155	-	-	-	-	2,155
Interest income		(76,384)	(75)	(7,516)	(37,870)	(58,186)	-	(180,031)

29. SEGMENT INFORMATION (cont'd)

	Note	ICT Consultancy RM	Software Solution RM	RFID System RM	F&B Distribution RM	Investment Holding RM	Elimination RM	Total RM
31.03.2019 (cont'd)								
Segment results		(9,172,391)	(18,540,702)	(5,586,981)	5,569,154	(44,351,504)	23,509,284	(48,573,140)
Interest expense		(97,876)	(3,844)	(16,640)	(5,880)	(394,009)	-	(518,249)
Share of result of associate, net of tax		-	-	-	-	-	(967,778)	(967,778)
(Loss)/profit before tax		(9,270,267)	(18,544,546)	(5,603,621)	5,563,274	(44,745,513)		(50,059,167)
Tax expense		(6,557)	(7,714)	(5,778)	(1,019,116)	(2,109)	-	(1,041,274)
(Loss)/profit for the financial year		(9,276,824)	(18,552,260)	(5,609,399)	4,544,158	(44,747,622)		(51,100,441)
Segment assets:								
Investment in associate		-	-	-	-	37,940,000	13,237,320	51,177,320
Other segment assets		15,549,958	4,809,057	8,655,886	13,595,090	134,764,895	(43,592,012)	133,782,874
Total assets	B	15,549,958	4,809,057	8,655,886	13,595,090	172,704,895		184,960,194
Segment liabilities	C	1,987,043	2,265,364	1,952,711	496,152	3,660,200	(2,630,475)	7,730,995
Other information:								
Additions to non-current assets excluding deferred tax assets and financial assets	D	21,276	-	2,690	12,298	3,555	-	39,819

29. SEGMENT INFORMATION (cont'd)

Operating segments

A Inter-segment revenues are eliminated on consolidation.

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

	30.09.2020 RM	31.03.2019 RM
Investment in an associate	-	13,237,320
Inter-segment assets	(44,677,091)	(43,592,012)
	(44,677,091)	(30,354,692)

Reconciliation of assets:

	Group	
	30.09.2020 RM	31.03.2019 RM
Segment operating assets	135,047,708	184,960,194
Tax recoverable	81,880	89,624
Total assets	135,129,588	185,049,818

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

	30.09.2020 RM	31.03.2019 RM
Inter-segment liabilities	(12,734,914)	(2,630,475)

Reconciliation of liabilities:

	Group	
	30.09.2020 RM	31.03.2019 RM
Segment operating liabilities	11,089,597	7,730,995
Deferred tax liabilities	424,634	468,311
Tax payables	889,402	767,119
	12,403,633	8,966,425

29. SEGMENT INFORMATION (cont'd)

D Additions to non-current assets excluding deferred tax assets and financial assets consist of:

	30.09.2020 RM	31.03.2019 RM
Property, plant and equipment	78,661	39,819

Geographical information

All of the segments are operated within Malaysia.

Major customer information

The Group has 6 customers which contributed approximately RM20.2 million or 40% (31.03.2019: 6 customers, RM11.6 million or 49%) of the Group's revenue during the financial period/year.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised as amortised costs.

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 their financial risks, including credit risk, interest risk, foreign currency risk and liquidity risk. 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 Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises primarily from their receivables (which consist of trade and other receivables), contract assets, amount due from an associate and shareholders of a subsidiary. There are no significant changes as compared to prior years.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's and the Company's association to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Risk management objectives, policies and processes for managing the risk (cont'd)

At each reporting date, the Group assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partially 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 write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk from receivables and contract assets is represented by the carrying amounts in the statements of financial position as at the end of the reporting period.

Concentration of credit risk

The Group determines concentration of credit risk by monitoring the segment profile of their receivables on an ongoing basis.

As at 30 September 2020, the Group has significant concentration of credit risk arising from the amounts owing from 6 customers (31.03.2019: 4 customers) constituting 78% (31.03.2019: 72%) of net trade receivables of the Group.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group has recognised a loss allowance of 100% for any receivables aged more than 180 or 365 days from different customer profiles because historical experience has indicated that these receivables are generally not recoverable.

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses as disclosed in Note 3(p)(i). The Group assesses impairment of trade receivables on individual and collective basis.

For individual assessment, it is due to the number of debtors is minimal and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

For collective assessment, the Group determines the expected credit losses by using a provision matrix for collective assessed receivables which are grouped together based on shared credit risk characteristics, the number of days past due and similar types of contracts which have similar risk characteristics.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years and are adjusted to reflect the forward-looking information on macroeconomic factors. The Group also considers differences between (a) economic conditions during the period over which the historical data has been collected, (b) current economic conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 September 2020 and 31 March 2019:

	Gross RM	Loss Allowance RM	Net RM
Group			
30.09.2020			
Non-current:			
Trade receivables	2,070,106	-	2,070,106
Current:			
Trade receivables			
Not past due	3,197,344	(11,114)	3,186,230
Past due:			
- 31 to 60 days	3,940,813	(8,817)	3,931,996
- 61 to 90 days	1,709,012	(13,428)	1,695,584
- More than 90 days	2,304,631	(214,563)	2,090,068
	7,954,456	(236,808)	7,717,648
	11,151,800	(247,922)	10,903,878
Credit Impaired			
Individually impaired	2,636,871	(2,636,871)	-
Retention sum	305,594	-	305,594
Trade receivables, net	16,164,371	(2,884,793)	13,279,578
Contract assets	1,969,678	-	1,969,678
	18,134,049	(2,884,793)	15,249,256

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Impairment losses (cont'd)

	Gross RM	Loss Allowance RM	Net RM
Group			
31.03.2019			
Non-current:			
Trade receivables	3,000,532	-	3,000,532
Current:			
Trade receivables			
Not past due	2,526,688	(1,441)	2,525,247
Past due:			
- 31 to 60 days	1,288,849	(1,198)	1,287,651
- 61 to 90 days	1,932,558	(2,082)	1,930,476
- More than 90 days	5,231,791	(22,719)	5,209,072
	8,453,198	(25,999)	8,427,199
	10,979,886	(27,440)	10,952,446
Credit Impaired			
Individually impaired	2,750,299	(2,750,299)	-
Retention sum	304,539	-	304,539
Trade receivables, net	17,035,256	(2,777,739)	14,257,517
Contract assets	925,140	-	925,140
	17,960,396	(2,777,739)	15,182,657

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Receivables that are past due not impaired

The Group has not provided for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable which are not past due for more than 180 days.

Credit impaired

Trade 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 which aged more than 180 or 365 days from different customer profiles. These receivables are not secured by any collateral or credit enhancements.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Impairment losses (cont'd)

The movement in the allowance for impairment loss on trade receivables are as follows:

	30.09.2020 RM	31.03.2019 RM
Group		
At beginning of the financial period/year	2,777,739	506,451
Acquisition of a subsidiary	-	14,087
Charge for the financial period/year	946,940	2,586,488
Reversal during the period/year	(196,786)	-
Written off during the financial period/year	(643,100)	(329,287)
At end of the financial period/year	2,884,793	2,777,739

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Other receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position.

The amounts due from shareholders of a subsidiary mainly relates to the refund pertaining to the shortfall of profit guarantee net of fair value adjustment as disclosed in Note 14. This amount is secured by pledge of the Company's ordinary shares in an escrow account deposited with a financial institution.

The Group and the Company consider the amounts due from shareholders of a subsidiary have low credit risk. As at the reporting date, there were no indications of impairment loss in respect of amounts due from shareholders of a subsidiary.

As at the end of the reporting period, the Group and the Company have assessed debtors which are past due more than 1 year as credit impaired. As such, the Group and the Company have provided allowances for expected credit losses on these debtors as disclosed in Note 16.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Other receivables (cont'd)

The movement in the allowance for impairment loss on other receivables are as follows:

	Group		Company	
	30.09.2020	**31.03.2019**	**30.09.2020**	**31.03.2019**
	RM	**RM**	**RM**	**RM**
At beginning of the financial period/year	-	-	-	-
Charge for the financial period/year	546,470	-	481,900	-
At end of the financial period/year	546,470	-	481,900	-

Credit risk on deposits is mainly arising from deposits paid for office buildings, fixtures rented and project tendering. The deposits paid for office buildings and fixtures rented will be received at the end of each lease term. The Group manages the credit risk together with the leasing arrangement.

There are two types of deposits in respect of the project tendering. The earnest money deposits are refundable in the event that the Group failed to bid for the project, whereas the security deposits (performance bond) are refundable upon the satisfactory completion of the contract.

As at the end of the reporting period, the Group and the Company have assessed deposits which are past due more than 1 year as credit impaired. As such, the Group has written off deposit of RM500,000 as included in "Deposit written off" line item in the statements of comprehensive income.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and an associate. The Group and the Company monitor the ability of the subsidiaries and associate to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

Associate

In prior year, the maximum exposure of credit risk of the Group and of the Company amounted RM4,116,671, representing the outstanding banking facilities of the associate as at the end of the reporting period.

Subsidiaries

The maximum exposure to credit risk of the Company amounted to RM2,762,806 (31.03.2019: RM958,393) representing the outstanding banking facility of the subsidiary as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the associate and subsidiary secured loans.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Financial guarantees (cont'd)

Recognition and measurement of impairment loss

These financial guarantees are subject to the impairment requirement under MFRS 9.

Associate

The Group and the Company assume that there is a significant increase in credit risk when the associate's financial position deteriorates significantly. The Group and the Company consider a financial guarantee to be credit impaired when:

- The associate is unlikely to repay its credit obligations to the bank in full; or
- The associate is continuously loss making and is having a deficit in shareholders' fund.

The fair value of the financial guarantee is negligible as the probability of the financial guarantee being called upon is remote at the initial recognition as there were no historical default in the associate's credit facility. Hence, the financial guarantee granted by the Company has not been recognised since the fair value on initial recognition was not material.

Subsidiary

The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligations to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, there was no indication that the subsidiary which was granted the loan facility (Note 22) would default on repayment. Hence, the financial guarantee granted by the Company has not been recognised since the fair value on initial recognition was not material.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

Associate

The Group and the Company provide unsecured loans and advances to its associate. The Group and the Company monitor the ability of the associate to repay the loans and advances on an individual basis.

Subsidiaries

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral.

Recognition and measurement of impairment loss

Associate

Generally, the Group and the Company consider loans and advances to an associate have moderate credit risk. The Group and the Company assume that there is a significant increase in credit risk when the associate's financial position deteriorates significantly. The Group and the Company consider an associate's loans or advances to be credit impaired when the associate is unlikely to repay its loan or advances to the Group and the Company in full given insufficient highly liquid resources when the loan is demanded.

As at the reporting date, there were no indications of impairment loss in respect of amount due from an associate.

Subsidiaries

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers subsidiaries' loans or advances to be credit impaired when the subsidiaries are unlikely to repay the loans or advances to the Company in full given insufficient highly liquid resources when the loans are demanded.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the reporting date, there were no indications of impairment loss in respect of amounts due from subsidiaries.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the effective interest rates at the reporting date, in which they reprice or mature, whichever is earlier are disclosed in Notes 19 and 22 respectively.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(ii) Interest rate risk (cont'd)

Exposure in interest rate risk

The interest rate profile of the Group's and the Company significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	30.09.2020 RM	31.03.2019 RM	30.09.2020 RM	31.03.2019 RM
Floating rate instruments:				
Financial assets:				
- Fixed deposit placed with licensed banks	3,873,056	4,384,330	2,130,105	2,036,271
- Short-term money market deposit	1,000,000	3,600,000	-	-
	4,873,056	7,984,330	2,130,105	2,036,271
Financial liabilities:				
- Bank overdrafts	(3,234,876)	(1,435,829)	(472,070)	(477,436)
- Term loans	(1,642,222)	(1,726,628)	(1,642,222)	(1,726,628)
	(4,877,098)	(3,162,457)	(2,114,292)	(2,204,064)
Net financial (liabilities)/ assets	(4,042)	4,821,873	15,813	(167,793)

A 50% basis points (31.03.2019: 10 basis points) increase/decrease of the interest rate at the end of the reporting period would have immaterial impact on the Group's loss after tax. This assumes that all other variables remain constant.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily Euro ("EUR") and United States Dollar (''USD'').

The Group holds cash and cash equivalents denominated in foreign currencies to pay its foreign purchases as natural hedge against fluctuations in foreign currency risk.

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

30. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(iii) Foreign currency risk (cont'd)

Exposure to foreign currency risk

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was:

	Group	
	Cash at bank	**Payables**
	RM	**RM**
Group		
30.09.2020		
United States Dollar ("USD")	15,034	-
31.03.2019		
United States Dollar ("USD")	1,202	-
Euro ("EUR")	-	(92,515)
	1,202	(92,515)

A 5% strengthening/weakening of the RM against the EUR and USD at the end of the reporting period would have immaterial impact on the Group's loss after tax. This assumes that all other variables remain constant.

(iv) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. 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 objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

30. FINANCIAL INSTRUMENTS (cont'd)

(iv) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

		<---------- Contractual Cash Flows ---------->				
	Carrying Amount RM	**On Demand/ Within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**Over 5 years RM**	**Total RM**
Group						
30.09.2020						
Financial liabilities:						
- Trade payables	2,968,614	2,968,614	-	-	-	2,968,614
- Other payables	1,923,048	1,923,048	-	-	-	1,923,048
- Amounts due to Directors	15,650	15,650	-	-	-	15,650
- Term loans	1,642,222	202,672	202,672	608,017	1,005,194	2,018,555
- Bank overdrafts	3,234,876	3,504,988	-	-	-	3,504,988
- Lease liabilities	431,510	248,318	158,554	46,161	-	453,033
	10,215,920	8,863,290	361,226	654,178	1,005,194	10,883,888
Company						
Financial liabilities:						
- Other payables	438,878	438,878	-	-	-	438,878
- Amounts due to subsidiaries	10,472,117	10,472,117	-	-	-	10,472,117
- Term loans	1,642,222	202,672	202,672	608,017	1,005,194	2,018,555
- Bank overdrafts	472,070	511,488	-	-	-	511,488
	13,025,287	11,625,155	202,672	608,017	1,005,194	13,441,038

30. FINANCIAL INSTRUMENTS (cont'd)

(iv) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period): (cont'd)

		<------ Contractual Cash Flows ------>				
	Carrying Amount RM	**On Demand/ Within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**Over 5 years RM**	**Total RM**
Group						
31.03.2019						
Financial liabilities:						
- Trade payables	1,204,468	1,204,468	-	-	-	1,204,468
- Other payables	1,570,210	1,570,210	-	-	-	1,570,210
- Amounts due to Directors	43,940	43,940	-	-	-	43,940
- Term loans	1,726,628	200,667	200,667	602,001	1,096,915	2,100,250
- Hire purchase payables	499,048	220,260	133,454	185,575	-	539,289
- Bank overdrafts	1,435,829	1,555,721	-	-	-	1,555,721
	6,480,123	4,795,266	334,121	787,576	1,096,915	7,013,878
Company						
Financial liabilities:						
- Other payables	587,231	587,231	-	-	-	587,231
- Amounts due to subsidiaries	836,015	836,015	-	-	-	836,015
- Amount due to a Director	13,790	13,790	-	-	-	13,790
- Term loans	1,726,628	200,667	200,667	602,001	1,096,915	2,100,250
- Bank overdrafts	477,436	517,302	-	-	-	517,302
	3,641,100	2,155,005	200,667	602,001	1,096,915	4,054,588

31. FAIR VALUES INFORMATION

Financial instruments other than those carried at fair value

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair values 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 fair values of hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period. The carrying value and fair value of the hire purchase payables are not materially different.

There were no material transfer between Level 1, Level 2 and Level 3 during the financial period/year.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies and processes during the financial period/year ended 30 September 2020 and 31 March 2019.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes borrowings and lease liabilities, less cash and cash equivalents whilst total capital is the equity attributable to the Owners of the Company.

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

The Group and the Company are in compliance with all externally imposed capital requirements.

32. CAPITAL MANAGEMENT (cont'd)

The gearing ratio as at 30 September 2020 and 31 March 2019, which are within the Group's and the Company's objective of capital management are as follows:

	Group		Company	
	30.09.2020 RM	**31.03.2019 RM**	**30.09.2020 RM**	**31.03.2019 RM**
Borrowings	4,877,098	3,661,505	2,114,292	2,204,064
Lease liabilities	431,510	-	-	-
	5,308,608	3,661,505	2,114,292	2,204,064
Less:				
- Fixed deposits placed with licensed banks	3,873,056	4,384,330	2,130,105	2,036,271
- Short-term money market deposit	1,000,000	3,600,000	-	-
- Cash and bank balances	25,716,955	19,570,352	15,467,270	11,628,217
	30,590,011	27,554,682	17,597,375	13,664,488
Net debts	(25,281,403)	(23,893,177)	(15,483,083)	(11,460,424)
Equity attributable to the Owners of the Company, representing total capital	121,621,305	175,499,307	119,474,189	164,046,780
Capital and net debts	96,339,902	151,606,130	103,991,106	152,586,356
Gearing ratio	*	*	*	*

** Not meaningful*

33. CONTINGENT LIABILITIES

	Group	
	30.09.2020 RM	**31.03.2019 RM**
Secured:		
Bank guarantee in favour of MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd. as performance guarantee	83,500	83,500

34. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Coronavirus (COVID-19) outbreak

The Coronavirus (COVID-19) outbreak was identified in Wuhan, China in December 2019. The World Health Organisation ("WHO") has declared the outbreak a Public Health Emergency of International Concern on 30 January 2020 and subsequently WHO declared the COVID-19 outbreak as global pandemic on 11 March 2020.

Following the WHO's declaration, Malaysia Government has on 16 March 2020 imposed the Movement Control Order ("MCO") starting from 18 March 2020 to restrain the spread of COVID-19 outbreak in Malaysia. Through the MCO, most businesses were forced to close down temporarily for the time being, except those categorised as "Essential Services" such as Food and Beverage industry.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (cont'd)

Coronavirus (COVID-19) outbreak (cont'd)

Since the commencement of MCO, the Group's business operations were not badly affected as the Food and Beverage business segment were allowed to operate during MCO, while the other business segments were only partially affected due to the restriction of travelling to its customer premises to carry out the installation or implementation services etc.

35. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Coronavirus (COVID-19) outbreak

On 11 January 2021, the Malaysia Government has announced MCO 2.0 commencing from 13 January 2021 to 4 February 2021. The management does not expect significant impact to the Group's business operations.

36. COMPARATIVE FIGURES

(i) The comparatives relating to statements of comprehensive income, statements of changes in equity, statements of cash flows and related notes are made up from 1 April 2018 to 31 March 2019 and therefore are not comparable with the current financial period from 1 April 2019 to 30 September 2020.

(ii) The comparative figures have been reclassified to conform with the current period's presentation:

	As previously reported RM	As reclassified RM
Group		
01.04.2018 to 31.03.2019		
Statements of Comprehensive Income		
Employee benefit expenses	(8,360,117)	(8,141,797)
Directors' remuneration	(1,559,081)	(1,777,401)
Fair value adjustment on deferred receivable	-	(1,007,938)
Loss on disposal of property, plant and equipment	(2,155)	-
Other expenses	(3,668,280)	(3,670,435)
Finance costs	(1,526,187)	(518,249)

List of Properties

TITLE / LOCATION	DESCRIPTION / EXISTING USE	REGISTERED OWNER	AGE OF BUILDINGS (Years)	BUILT-UP AREA (Sq feet)	TENURE	CARRYING AMOUNT @ 30.09.20 (RM)	ORIGINAL COST (RM)
No. 25-5 & 25-6, Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Head Office	EA Holdings Bhd	6 years	3,148	Freehold	1,184,511	1,624,472
No. 22-3A Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	6 years	1,579	Freehold	549,845	758,412
No. 22-5 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	6 years	1,579	Freehold	555,632	766,389
No. 28-2 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Office Use	EA Holdings Bhd	6 years	1,504	Freehold	529,073	729,755
No. 29-2 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	6 years	1,504	Freehold	529,073	729,755
No.4, Jalan Sungai Beting 2 Batu 3 3/4, Jalan Kapar Rantau Panjang 41200 Klang, Selangor	Office Unit/ Warehouse	Sunland Volonte Agency Sdn Bhd	23 years	11,141	Freehold	2,434,970	2,876,437
					Total	5,783,104	7,485,220

Analysis Of Shareholdings
As At 31 December 2020

Total number of issued shares : 5,072,360,564
Class of shares : Ordinary Shares
Voting Rights : One vote per share

DISTRIBUTION OF SHAREHOLDINGS

	No. of holders	%	No. of shares	%
Less than 100	216	2.4	10,343	0.0
100 - 1,000	198	2.2	90,196	0.0
1,001 - 10,000	694	7.6	4,711,515	0.1
10,001 - 100,000	4,104	44.7	229,027,982	4.5
100,001 and below 5%	3,959	43.2	2,992,596,227	59.1
5% and above	2	0.0	1,845,924,301	36.3
TOTAL	9,173	100.0	5,072,360,564	100.0

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Mohammad Sobri bin Saad	1,133,424,300	22.3%	-	-
Cheong Soo Han	712,500,001	14.0%	-	-

DIRECTORS' SHAREHOLDING

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Mohammad Sobri bin Saad	1,133,424,300	22.3%	-	-
Basir bin Bachik	492,000	0.0%	-	-
Choo Seng Choon	-	-	-	-
Abdul Fattah bin Mohamed Yatim	18	0.0%	-	-
Dato' Azahar bin Rasul	-	-	-	-

LIST OF 30 LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2020

NO.	NAME	NO. OF SHARES	%
1	MOHAMMAD SOBRI BIN SAAD	949,841,500	18.7%
2	CHEONG SOO HAN	502,500,001	9.9%
3	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN SECURITIES (M) SDN BHD FOR CHEONG SOO HAN (EAH)	210,000,000	4.1%
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	183,582,800	3.6%
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	39,500,000	0.8%
6	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN SECURITIES (M) SDN BHD FOR GOH SWEE SIM (EAH)	35,000,000	0.7%
7	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN SECURITIES (M) SDN BHD FOR LAW KUM WAH (EAH)	35,000,000	0.7%
8	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN SECURITIES (M) SDN BHD FOR CHONG NYET FAN (EAH)	35,000,000	0.7%
9	FOO FOOK MIN	29,833,000	0.6%
10	SIM MUI KHEE	26,495,100	0.5%
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KWAH WOI LEONG (E-BPJ/JKA)	22,000,000	0.4%
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	21,500,000	0.4%
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD LING KHENG	19,805,400	0.4%
14	YAP YOUNG SIONG	19,100,033	0.4%
15	TAN TIAM YEE	17,363,800	0.3%
16	KENANGA NOMINEES (TEMPATAN) SDN BHD GOH YONG HAU	17,000,000	0.3%
17	KIAN SIEW SIN	17,000,000	0.3%
18	KIAN SIEW SIN	17,000,000	0.3%
19	LIM WEI HON	17,000,000	0.3%
20	LIM TONG HOCK	15,006,666	0.3%
21	LIAW HOCK CHOON	15,000,000	0.3%
22	GOH FUI FIN	13,533,000	0.3%
23	PANG SHIEW WAI	13,030,200	0.3%
24	TAN CHONG JEAN	12,299,900	0.2%
25	GAN CHOON HOCK	12,000,000	0.2%
26	LAU YAU YEE	11,450,000	0.2%
27	MAH SIEW HOE	11,000,000	0.2%
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THONG KOK WAN	10,900,000	0.2%
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	10,500,000	0.2%
30	LIM KIAN MIN	10,429,400	0.2%

Analysis Of Warrantholdings For Warrants D (2017/2022)

As At 31 December 2020

Type of Securities	Warrants 2017/2022
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS

Name	No. of holders	%	No. of warrants	%
Less than 100	236	10.5	11,685	0.0
100 - 1,000	55	2.5	24,582	0.0
1,001 - 10,000	229	10.2	1,412,779	0.1
10,001 - 100,000	1,028	45.8	46,865,671	4.7
100,001 and below 5%	691	30.8	549,858,144	55.3
5% and above	5	0.2	395,712,155	39.8
TOTAL	2,244	100.0	993,885,016	100.0

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Deemed Interest	
Name	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	125,931,575	12.7%	-	-
Basir bin Bachik	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	-	-	-	-

LIST OF 30 LARGEST WARRANT D HOLDERS AS AT 31 DECEMBER 2020

NO.	NAME	NO. OF WARRANTS	%
1	CHONG MUI FUN	139,031,480	14.0%
2	MOHAMMAD SOBRI BIN SAAD	71,666,650	7.2%
3	CHONG MUI FUN	71,315,750	7.2%
4	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YAU YAN (SMT)	59,500,000	6.0%
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	54,264,925	5.5%
6	LUM YIN MUI	38,459,100	3.9%
7	SIM MUI KHEE	15,000,010	1.5%
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	13,000,000	1.3%
9	HENRY CHUA AH JONG	12,000,000	1.2%
10	ANDREW TEOH JIT SENG	10,000,000	1.0%
11	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW JU-LIEN (STARHILL-CL)	9,000,000	0.9%
12	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR JAGGA RAO A/L MALLA NAIDU	8,743,420	0.9%
13	GOH CHIA PHERN	8,000,950	0.8%
14	PAK LIEW MEI	7,400,000	0.7%
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHIA BOON SENG	6,000,000	0.6%
16	QUEK KHENG KOK	6,000,000	0.6%
17	HO PUI LENG	5,600,000	0.6%
18	LIEW JIEW CHOO	5,500,000	0.6%
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHIA PHERN (E-BPJ)	5,100,000	0.5%
20	LAU CHOON GEK @ LOW CHOON GEK	4,500,000	0.5%
21	DESTINET SDN BHD	4,235,260	0.4%
22	GOH FUI FIN	3,866,500	0.4%
23	TAN CHONG JEAN	3,649,950	0.4%
24	GAN KENG MENG	3,600,000	0.4%
25	LOO CHIN ENG	3,550,000	0.4%
26	OOI LENG HWA	3,500,000	0.4%
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHOW MUN YEOW	3,300,000	0.3%
28	PANG SHIEW WAI	3,200,050	0.3%
29	TAN CHEW CHUNG	3,154,550	0.3%
30	LIM KIAN MIN	3,091,090	0.3%

Analysis Of Warrantholdings For Warrants E (2018/2023)

As At 31 December 2020

Type of Securities Warrants 2018/2023

Voting Rights One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS

Name	No. of holders	%	No. of warrants	%
Less than 100	1,316	23.4	58,441	0.0
100 - 1,000	264	4.7	122,968	0.0
1,001 - 10,000	1,026	18.3	5,461,448	0.5
10,001 - 100,000	2,152	38.3	84,898,515	7.8
100,001 and below 5%	856	15.2	642,366,385	59.1
5% and above	4	0.1	354,153,437	32.6
TOTAL	5,618	100.0	1,087,061,194	100.0

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Deemed Interest	
Name	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	133,411,281	12.3%	-	-
Basir bin Bachik	153,750	0.0%	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	5	0.0%	-	-

LIST OF 30 LARGEST WARRANT E HOLDERS AS AT 31 DECEMBER 2020

NO.	NAME	NO. OF WARRANTS	%
1	CHONG MUI FUN	147,378,187	13.6%
2	MOHAMMAD SOBRI BIN SAAD	76,041,656	7.0%
3	CHONG MUI FUN	73,405,625	6.8%
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	57,369,625	5.3%
5	LUM YIN MUI	48,486,100	4.5%
6	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YAU YAN (SMT)	40,500,000	3.7%
7	KONG SIEW MEE	17,284,125	1.6%
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	15,000,000	1.4%
9	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG BOON SING (SS2 PJ-CL)	12,950,037	1.2%
10	SIM MUI KHEE	11,779,793	1.1%
11	PAK LIEW MEI	11,728,900	1.1%
12	LIEW JIEW CHOO	9,665,600	0.9%
13	LAM THIAM @ LAM FOOK KEONG	9,589,200	0.9%
14	PANG MEI CHAN	6,437,000	0.6%
15	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR NG SHIH CHIOW	6,000,000	0.6%
16	MAH KOK FOON	6,000,000	0.6%
17	HO PUI LENG	5,350,000	0.5%
18	LIU, CHING-AN	5,061,000	0.5%
19	YONG SWEE KOON	5,002,200	0.5%
20	CHONG MEE FAH @ FREDERICK CHONG	5,000,000	0.5%
21	HENRY CHUA AH JONG	5,000,000	0.5%
22	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LIM LAI YING	4,300,000	0.4%
23	GOH FUI FIN	4,229,062	0.4%
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD LING KHENG	4,189,187	0.4%
25	GOH CHIA PHERN	4,130,000	0.4%
26	AFFIN HWANG INVESTMENT BANK BERHAD IVT (YIH)	4,000,000	0.4%
27	TAN CHONG JEAN	3,843,718	0.4%
28	LAU YAU YEE	3,578,125	0.3%
29	CHEW HONG CHOO	3,500,000	0.3%
30	FOW CHEN YIN	3,500,000	0.3%

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of the **EA HOLDINGS BERHAD** ("EAH" or the "Company") will be conducted through live streaming i.e. virtual meeting from the Broadcast Venue at Unit 25-5, Level 25, Oval Damansara, 685, Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 17 March 2021 at 11.00 a.m. to transact the following business :

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 30 September 2020 and the Reports of Directors and Auditors thereon. — **Please refer to Explanatory Note (i)**

2. To approve the payment of Directors' fees amounting to RM179,190 from 1 April 2019 to 30 September 2020. — **Resolution 1**

3. To approve the payment of Directors' fees amounting to RM170,000 for the financial year ending 30 September 2021. — **Resolution 2**

4. To re-elect the Director, Dato' Azahar Bin Rasul, who retires in accordance with Article 126 of the Company's Constitution. — **Resolution 3**

5. To re-elect the Director, Mr. Choo Seng Choon, who retires in accordance with Article 123 of the Company's Constitution. — **Resolution 4**

6. To re-appoint Messrs. Moore Stephens Associates PLT as auditors of the Company and to authorize the Directors to fix their remuneration. — **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if deemed fit, to pass the following resolution :

7. **Authority to issue shares** — **Resolution 6**
"THAT, subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issue shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. **Ordinary Resolutions**
- Continuing in office as Independent Non-Executive Directors
(i) "THAT subject to the passing of Ordinary Resolution 3, authority be and is hereby given to Dato' Azahar Bin Rasul, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company." — **Resolution 7**

(ii) "THAT authority be and is hereby given to En. Abdul Fattah bin Mohamed Yatim, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company." — **Resolution 8**

9. To transact any other business for which due notice shall have been given.

By Order of the Board

TAN KAH KOON (MAICSA 7066666) (SSM PC No. 201908001500)
Company Secretary

Kuala Lumpur
29 January 2021

Notes:-

1. ***IMPORTANT NOTICE***

   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 (including any amendment that may be made from time to time) which requires the Chairman of the meeting to be present at the main venue of the meeting.

2. *Shareholders/ proxies **WILL NOT BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the meeting.*

3. *Shareholders of the Company are to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the meeting via the Remote Participation and Voting Facilities ("**RPV**") provided by Agmo Studio Sdn Bhd ("AGMO") via its Vote2U Online website at https://web.vote2u.app. Please follow the Procedures for RPV provided in the Administrative Details for the meeting and read the notes below in order to participate remotely via RPV.*

4. *A shareholder of the Company who is entitled to attend, participate, speak and vote at the meeting via RPV is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his/ her stead. Where a shareholder appoints more than one (1) proxy in relation to the meeting, the appointments shall be invalid unless he/ she specifies the proportions of his/ her holding to be represented by each proxy. The proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.*

5. *Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *A shareholder of the Company who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this meeting via RPV must request his/ her proxy to register himself/ herself for RPV at Vote2U Online website at https://web.vote2u.app. Please follow the Procedures for RPV in the Administrative Details for the meeting.*

7. *The appointment of a proxy may be made by electronic means or in a hard copy form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote:*

   i. *By electronic form*
      The proxy form can be submitted via fax at 03-2770 8166 or email to eah.meeting@gmail.com or by electronically lodged.

   i. *Online via Vote2U Online*
      Register via Vote2U Online website at https://web.vote2u.app (applicable to individual shareholders only). Kindly refer to the Administrative Details on the procedures for electronic lodgment of proxy form via Vote2U Online.

   ii. *In hard copy form*
      In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

8. *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.*

9. *Last date and time for lodging the Proxy Form is Monday, 15 March 2021, 11.00 am.*

10. *Any authority pursuant to which such an appointment is made by a power of attorney or appointment of corporate representative must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

11. *For the purpose of determining a shareholder who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 89 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at Monday, 8 March 2021. Only a depositor whose name appears therein shall be be entitled to participate the said meeting or appoint a proxy to attend, participate, speak and/ or vote on his/ her stead.*

PERSONAL DATA PRIVACY:-

*By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at the meeting and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

Explanatory notes :

a) **Item 1 - Audited Financial Statement for the financial period ended 30 September 2020**

The item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

b) **Ordinary Resolution 6 - Proposed authority to issue shares**

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 of the Companies Act 2016 at the 10th AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the 9th AGM of the Company held on 12 September 2019 (hereinafter referred to as the "Previous Mandate").

As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

The General Mandate will enable the Directors of the Company to issue shares any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and / or acquisitions.

c) **Ordinary Resolutions 7 & 8 - Continuing In Office as Independent Non-Executive Directors**

The Nomination Committee and the Board of Directors have assessed the independence of Dato' Azahar Bin Rasul and En. Abdul Fattah bin Mohamed Yatim who have served as the Independent Non-Executive Directors of the Company for a cumulative term of 9 years or more, and recommended them to continue acting as the Independent Non-Executive Directors of the Company based on the following justifications:-

a) they fulfilled the criteria under the definition of Independent Director as stated in the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, they would able to provide a check and balance and bring an element of objectivity to the Board;

b) they are familiar with the Company's business operations and are able to advise the Board diligently;

c) they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making by actively participated in Board discussion and provided an independent voice to the Board; and

d) they have exercised their due care during their tenure as Independent Non-Executive Directors of the Company and carried out their professional duties in the best interest of the Company and shareholders.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

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

1. **Details of individuals who are standing for election as Directors**

   The profile of the Directors who are standing for re-election is stated on page 10 to 11 of this Annual Report.

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

   Detail of the General Mandate for the Authority to issue shares pursuant to Section 75 of the Companies Act 2016 are set out in Explanatory Notes (b) of the Notice of AGM.

Administrative Guide For Shareholders

EA HOLDINGS BERHAD – Annual General Meeting

Date	:	17 March 2021
Time	:	11.00 a.m.
Broadcast Venue	:	Unit 25-5, Level 25, Oval Damansara, 685, Jalan Damansara, 60000 Kuala Lumpur
Virtual Meeting accessible at	:	https://web.vote2u.app

In light of the ongoing COVID-19 outbreak situation and adhering to the Securities Commission Malaysia's ("SC") Guidance Note to exercise prudence, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, **EA HOLDINGS BERHAD**'s ("EAH" or the "Company") meeting will be held as a virtual meeting through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities provided via Vote2U at *https://web.vote2u.app*

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

Entitlement to Participate and Vote Remotely

Shareholders whose names appear on the Record of Depositors as at Monday, 8 March 2021 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below:

BEFORE MEETING DAY

A. REGISTRATION

	Description	Procedure
i.	Shareholders to Register with Vote2U ▶ Individual Shareholders	a. Access website at *https://web.vote2u.app* b. Click "*Sign Up*" to sign up as a user. c. Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box ¨. Then click "*Next*". d. Fill-in your details [(i) ensure your email address is valid, & (ii) create your own password]. Then click "*Continue*". e. Upload a clear copy of your MyKAD for Malaysian (front only) or Passport for non-Malaysian. f. Registration as user completed. g. Your registration will be verified and an email notification will be sent to you. *Note:* *If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.*

A. REGISTRATION OF PROXY

	Description	Procedure
i.	Electronic Lodgement of Proxy Form (e-Proxy) ▶ Individual Shareholders	a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U. b. Select the general meeting event that you wish to attend. c. Scroll down and click "*Register a Proxy*". d. Read and indicate your acceptance of the 'Declarations' by clicking on a small box ¨. Then click "*Next*". e. Select/ add your Central Depository System ("CDS") account number and number of shares. f. Click "*Appoint Proxy*". h. Fill-in the details of your proxy(ies) [ensure email address is valid]. i. Indicate your voting instruction should you prefer to do so. j. Thereafter, click "*Submit*". k. After verification, proxy(ies) will receive an email notification with g. temporary credentials, i.e. email address and password to log in to Vote2U. *Note:* *You need to register as a shareholder before you can register a proxy and submit the e-Proxy form. Please refer above 'A: Registration' to register as shareholder..*
ii.	Submit Proxy Form (hardcopy) ▶ Individual Shareholders ▶ Corporate Shareholders ▶ Authorised Nominee ▶ Exempt Authorised Nominee	a. Fill-in the details on the hardcopy Proxy Form and provide the following information: • Name of the proxy(ies)/corporate representative. • MyKAD (for Malaysian)/Passport number (for non-Malaysian) of the proxy(ies). • Address and email address of the proxy(ies)/corporate representative b. [ensure email address is valid]. c. Enclosed the following documents with the hardcopy Proxy Form: h. A copy of the proxy(ies)/corporate representative MyKAD (for Malaysian)/Passport (for non-Malaysian). • A copy of Certificate of Appointment of corporate representative i. [applicable to corporate shareholder only]. j. Deposit the hardcopy Proxy Form with the copy of the said documents to the address as stated on the Proxy Form. k. After verification, proxy(ies)/corporate representative will receive an email notification with temporary credentials, i.e. email address and password to log in to Vote2U.

REVOCATION OF PROXY

	Description	Procedure
i.	Revoke a Proxy Electronically ▶ Individual Shareholders	a. Log in to Vote2U using your registered email address and password. b. Select the general meeting event that you wish to attend. c. Scroll down and click "*Revoke a Proxy*". *Note:* *Individual shareholders who have appointed proxy(ies) through e-Proxy.*

ON GENERAL MEETING DAY

1. Log in to *https://web.vote2u.app* with your registered email address and password.
2. For proxy(ies), log in with the temporary credentials in the email which you have received from Vote2U.
3. Vote2U will be opened for log in one (1) hour before the commencement of the general meeting you are attending.
4. When you are logged in, click the general meeting event you are attending. On the main page, you are able to access the following:

ON GENERAL MEETING DAY (Continued)

	Description	Procedure
	Live Streaming	Click "*Watch Live*" button to view the live streaming.
i.	Ask Question (real-time)	a. Click "*Ask Question*" button to pose a question. b. Type in your question and click "*Submit*". *Note:* *The Chairman of the general meeting/Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies/ corporate representative during the meeting. Should there be a time constraint, the responses will be made available on the company's website earliest possible.*
ii.	Remote Voting	a. On the main page, scroll down and click "*Confirm Details & Start Voting*". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "*Next*" to continue voting for all resolutions. c. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "*Confirm*" to submit your vote. *Note:* *Once you have confirmed and submitted your votes, you are not able to change your voting choices.*
iii.	View Voting Results	a. On the main page, scroll down and click "*View Voting Results*".
iv.	End of RPV	b. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. c. b. You may log out from Vote2U.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Broadcast Venue

Broadcast Venue means the place where the broadcasting is taking place to transmit or air the meeting online. It could be a studio or a meeting room.

Shareholders and proxies are not advisable to go to the broadcast venue as it is only a place where the meeting is broadcast for transmission online in the present of Chairman, Directors, Chief Executive Officer, Auditors, Company Secretary and senior management. No seating and refreshment will be arranged for shareholders and proxies at the broadcast venue when it is a fully virtual meeting.

If shareholders and proxies arrive at the broadcast venue, the management has the right to ask you to leave the broadcast venue in order to comply with the government decrees and S.O.Ps.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this AGM.

Enquiry

a. If you have enquiry relating to the AGM Administrative Guide for shareholders or RPV or encounters issues with the log in, steps to connect to live streaming and online voting:

Email: vote2u@agmostudio.com

Form Of Proxy

EA HOLDINGS BERHAD
Registration No. 200901034925 (878041-A)
(Incorporated in Malaysia)

CDS Account No.:	
No. of Shares Held:	

I/ We ____ *NRIC/ Company no. ______________________________
(FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

telephone no. ____________________ email address ________________________ being a member/members of **EA HOLDINGS BERHAD**

Name of proxy & NRIC No.	**No. of shares**	**%**
1.		
2.		

or failing him/her

Name of proxy & NRIC No.	**No. of shares**	**%**
1.		
2.		

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Tenth Annual General Meeting ("10th AGM") of the Company to be held on Wednesday, 17 March 2021 at 11.00 a.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions :

	RESOLUTIONS	**FOR**	**AGAINST**
1.	To approve the payment of Directors' fees amounting to RM179,190 from 1 April 2019 to 30 September 2020.		
2.	To approve the payment of Directors' fees amounting to RM170,000 for the financial year ending 30 September 2021.		
3.	To re-elect the Director, Dato' Azahar Bin Rasul, who retires in accordance with Article 126 of the Company's Constitution.		
4.	To re-elect the Director, Mr. Choo Seng Choon, who retires in accordance with Article 123 of the Company's Constitution.		
5.	To re-appoint Messrs. Moore Stephens Associates PLT as auditors of the Company and to authorize the Directors to fix their remuneration.		
	AS SPECIAL BUSINESS		
6.	Authority to issue shares.		
7.	Retention of Dato' Azahar Bin Rasul as Independent Non-Executive Director		
8.	Retention of En. Abdul Fattah bin Mohamed Yatim as Independent Non-Executive Director		

Please mark with " X " in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolutions or abstain from voting as the proxy thinks fit.

* *Strike out whichever is not desired*

Signed this ____________ day of ____________________ 2021

____
Signature(s) of Member(s)

____
Affix Company's Seal (if applicable)

Notes:-

1. ***IMPORTANT NOTICE***

   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 (including any amendment that may be made from time to time) which requires the Chairman of the meeting to be present at the main venue of the meeting.

2. *Shareholders/ proxies **WILL NOT BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the meeting.*

3. *Shareholders of the Company are to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the meeting via the Remote Participation and Voting Facilities ("**RPV**") provided by Agmo Studio Sdn Bhd ("AGMO") via its Vote2U Online website at https://web.vote2u.app. Please follow the Procedures for RPV provided in the Administrative Details for the meeting and read the notes below in order to participate remotely via RPV.*

4. *A shareholder of the Company who is entitled to attend, participate, speak and vote at the meeting via RPV is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his/ her stead. Where a shareholder appoints more than one (1) proxy in relation to the meeting, the appointments shall be invalid unless he/ she specifies the proportions of his/ her holding to be represented by each proxy. The proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.*

5. *Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *A shareholder of the Company who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this meeting via RPV must request his/ her proxy to register himself/ herself for RPV at Vote2U Online website at https://web.vote2u.app. Please follow the Procedures for RPV in the Administrative Details for the meeting.*

7. *The appointment of a proxy may be made by electronic means or in a hard copy form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote:*

   i. *By electronic form*
   The proxy form can be submitted via fax at 03-2770 8166 or email to eah.meeting@gmail.com or by electronically lodged.

   i. *Online via Vote2U Online*
   Register via Vote2U Online website at https://web.vote2u.app (applicable to individual shareholders only). Kindly refer to the Administrative Details on the procedures for electronic lodgment of proxy form via Vote2U Online.

Please fold here

AFFIX
STAMP

The Company Secretary
EA HOLDINGS BERHAD
Registration No. 200901034925 (878041-A)
29-2, Level 29, Oval Damansara,
685, Jalan Damansara,
Taman Tun Dr Ismail
60000 Kuala Lumpur

Please fold here

   ii. *In hard copy form*
   In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

8. *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.*

9. *Last date and time for lodging the Proxy Form is Monday, 15 March 2021, 11.00 am.*

10. *Any authority pursuant to which such an appointment is made by a power of attorney or appointment of corporate representative must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

11. *For the purpose of determining a shareholder who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 89 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at Monday, 8 March 2021. Only a depositor whose name appears therein shall be be entitled to participate the said meeting or appoint a proxy to attend, participate, speak and/ or vote on his/ her stead.*

PERSONAL DATA PRIVACY:-

*By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at the meeting and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

Holdings Berhad

EA HOLDINGS BERHAD
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