




UCrest
UCREST BERHAD
199701004560 (420056-K)

A N N U A L R E P O R T 2 0 2 1
LEADING THE WAY

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CORPORATE INFORMATION

BOARD OF DIRECTORS :	Eg Kah Yee Abdul Razak Bin Dato' Haji Ipap Thong Kooi Pin Chuan Tsui Ju Prof. Low Teck Seng Dato' Dr. Mohd Fikri Bin Abdullah Eg Kaa Chee	(Chairman / Managing Director) (Independent Non-Executive Director) (Independent Non-Executive Director) (Independent Non-Executive Director) (Independent Non-Executive Director) (Independent Non-Executive Director) (Non-Independent Non-Executive Director)
COMPANY SECRETARIES :	Wong Wai Foong SSM PC NO. 202008001472 (MAICSA 7001358)	
	Joanne Toh Joo Ann SSM PC NO. 202008001119 (LS 0008574)	
REGISTERED OFFICE :	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Tel : 03-2783 9191 Fax : 03-2783 9111	
BUSINESS ADDRESS :	Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan. Tel : 03-7728 9880 Fax : 03-7728 1080	
AUDITORS :	Messrs UHY Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur Tel : 03-2279 3088	
SHARE REGISTRAR :	Tricor Investor & Issuing House Services Sdn. Bhd. Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Tel : 03- 2783 9299 Fax : 03- 2783 9222	
CORPORATE SOLICITORS :	Rajah, Lau & Associates B-13-13, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur. Tel : 03-2710 5585 Fax : 03-2710 5589	
PRINCIPAL BANKERS :	Public Bank Berhad United Overseas Bank (Malaysia) Bhd	
STOCK EXCHANGE LISTING :	Bursa Malaysia Securities Berhad (ACE Market) Stock name : UCREST Stock code : 0005	
CORPORATE WEBSITE :	www.ucrest.net	

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT'S PROFILE

EG KAH YEE

Chairman / Managing Director

Mr. Eg Kah Yee, a Malaysian, male, aged 61, is the founder, Chairman / Managing Director of UCrest Berhad. He was appointed to the Board on 7 May 1998. He obtained his Bachelor of Computer Science from West Virginia University, USA in 1983. He started his career as System Analyst with Phoenix Data Systems Inc., a Silicon Valley company in Santa Clara, California USA, where he developed VLSI Layout Verification System. In 1985, he joined Daisy Systems Corporation; a Silicon Valley company listed on NASDAQ based in Mountain View, California which he was the R&D Project Manager responsible for the development of second generation Digital Logic Simulator (DLSII) where he designed and implemented the simulation engine and DBMS. In 1988, he was promoted to be the Director of North Asia Region responsible for business in China, Hong Kong, Taiwan and Korea. He is the Chairman of the Option Committee.

In 1990, he left Daisy Systems Corporation and joined Synopsys Inc., a Silicon Valley based startup pioneer in logic synthesis and High Level Design for ASIC and VLSI design. He started as the Regional Manager for South Asia Pacific Operations where he was responsible for the starting and growing of the business in Taiwan, Asean countries, India, Australia and New Zealand. The Company was listed on NASDAQ in 1992. He was later promoted to be the General Manager for Asia Pacific Operation where he was responsible for global business operation excluding America, Europe and Japan.

In 1996, he left Synopsys Inc. and started to invest and groom companies. He started Canvas Technology Inc. in Taiwan, a company specialise in Real Time Operating System (RTOS) for embedded designs where the team has done numerous co-development of set-top-boxes, networking products, PDA and defense systems. He has also invested in Silicon Vision Inc., a Silicon Valley company specialise in optical products, in Fremont, California together with two Venture Capitalists from Taiwan and a few high net-worth individuals from USA.

Currently, he also sits on the board of Key ASIC Berhad and various private limited companies.

Apart from his brother, Eg Kaa Chee, who is also a Non-Independent Non-Executive Director of the Company, he does not have any family relationship with any of the Directors of the Company. He is a major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

EG KAA CHEE

Non-Independent Non-Executive Director

Mr. Eg Kaa Chee, a Malaysian, male, aged 57, was appointed as the Director of UCrest Berhad since 26 May 1997. He obtained his LLB from University of Malaya in 1989. He started his legal practice in 1990. He specialised in litigation and conveyance. He is the senior partner of Rajah, Lau & Associates. Presently he is the Legal Advisor for several companies and non-governmental organisations.

Mr. Eg Kaa Chee does not hold any directorship in other public companies.

Apart from his brother, Eg Kah Yee, who is also the Chairman/Managing Director of the Company, he does not have any family relationship with any of the Directors of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT'S PROFILE CONT'D

ABDUL RAZAK BIN DATO' HAJI IPAP

Independent Non-Executive Director

En. Abdul Razak Bin Dato' Haji Ipap, a Malaysian, male, aged 61, was appointed as the Director of UCrest Berhad on 1 June 2001. He was re-designated to a Non-Independent Non-Executive Director of UCrest on 25 August 2010. On 8 September 2016, he was re-designated as an Independent Non-Executive Director of UCrest. He graduated with Bachelor of Science in Agribusiness from Universiti Pertanian Malaysia (currently known as Universiti Putra Malaysia) in 1988. He started his career by joining Shell Chemical Sdn Bhd as Trainee Executive in year 1986, responsible for sales development for the Company. In 1988, he joined United Engineers (M) Bhd as Business Development Executive where he was responsible for developing new sales and managing the existing project portfolio. From 1993 to 1995, he was attached to Sime Logistics Sdn Bhd as Manager in Operations and Marketing. In 1995, he joined Celcom (M) Sdn Bhd as Senior Manager (Logistics) responsible for the smooth flowing of the entire company's logistic and was subsequently promoted as the Vice president Logistics. He left Celcom in Year 2000 to start off his own career in IT business. He is the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Option Committee of UCrest.

En. Abdul Razak Bin Dato' Haji Ipap does not hold any directorship in other public companies.

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

THONG KOOI PIN

Independent Non-Executive Director

Mr. Thong Kooi Pin, a Malaysian, male, aged 48, was appointed as the Independent Non-Executive Director of UCrest Berhad on 18 December 2006. He graduated with a professional degree in ACCA (Association of Chartered Certified Accountant) in 1998 and was admitted as a member of the Malaysian Institute of Accountants as Chartered Accountant in year 2000. He further obtained his Master's degree in business administration majoring in finance in year 2005 from Universiti Putra Malaysia. He is the Chairman of the Nomination Committee and Audit Committee and a member of the Remuneration Committee and Option Committee of UCrest.

Mr. Thong Kooi Pin does not hold any directorship in other public companies. He currently holds the position as Financial Controller for Key ASIC Berhad.

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT'S PROFILE CONT'D

CHUAN TSUI JU

Independent Non-Executive Director

Ms. Chuan Tsui Ju, a Malaysian, female, aged 60, was appointed as the Independent Non-Executive Director of UCrest Berhad on 22 November 2013. She completed the General Certificate of Education. She joined the construction company, Lim & Chia Sdn Bhd as an Account Executive right after finishing her accounting courses in 1980 and subsequently in 1985, she left the Company and continues her career in construction and development industry with Ample's group. In 1990, she was hired by Jujutsu Industries group initially as an Administrator and rose to the rank of Director responsible for the whole operation of the Group. She left Jujutsu Industry in 1996 to set up her own business in the tutorial sector and sold it off in 1999. Currently, she is working as Director of Project Coordinator at A&P Solution Enterprise which specialises in advertising and promotion activities. She is a member of the Audit Committee of UCrest.

Ms. Chuan Tsui Ju does not hold any directorship in other public companies.

She does not have any family relationship with any of the other Directors and/or major shareholders of the Company. She has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

She has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

PROF. LOW TECK SENG

Independent Non-Executive Director

Prof. Low Teck Seng, a Singaporean, male, aged 66, was appointed as the Independent Non-Executive Director of UCrest Berhad on 29 November 2017. Prof. Low Teck Seng vacated office pursuant to Rule 15.05(3)(C) of the Ace Market Listing Requirement of Bursa Malaysia Securities Berhad and was re-appointed on 25 September 2020.

Prof. Low Teck Seng is the Chief Executive Officer of the National Research Foundation (NRF), Prime Minister's Office, Singapore. The NRF sets the national direction for research and development (R&D) by developing policies, plans and strategies for research, innovation and enterprise. Prior to joining NRF in July 2012, Prof. Low served as the Managing Director of the Agency for Science, Technology and Research. Prof. Low was instrumental in setting up the Magnetics Technology Centre (MTC) in National University of Singapore (NUS) in 1992. The MTC is the predecessor of the Data Storage Institute (DSI), a leading research institute focusing on data storage technologies. He was Dean of Engineering at the NUS from 1998 to 2000. Prof. Low is presently a tenured professor at the National University of Singapore. He is a Fellow of the Singapore Academy of Engineers; Fellow of the IEEE and International Fellow of the Royal Academy of Engineers, UK.

Prof. Low is also the Independent Non-Executive Director of Key ASIC Berhad.

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT'S PROFILE CONT'D

DATO' DR. MOHD FIKRI BIN ABDULLAH

Independent Non-Executive Director

Dato' Dr. Fikri Bin Abdullah, a Malaysian, male, aged 55, was appointed as the Independent Non-Executive Director of UCrest Berhad on 16 May 2018. He is a principal consultant of the team for specialist Imperial Doctors in China.

He is an outstanding Cardiovascular & Thoracic surgeon trained in United Kingdom from October 1986 until July 2000, specializing in adult surgery, he is in private practice at KPJ Ampang Puteri Hospital (a JCI accredited hospital). He is dedicated to teaching, new technology, new surgical technique as well as medical research. He initiated and submitted a proposal to the Ministry of Health, Malaysia; a structured curriculum for cardiothoracic surgery training leading to a postgraduate degree in cardiothoracic surgery in August 2000.

He pioneered a few new techniques in cardiothoracic surgery at National University Hospital Malaysia between August 2000 and December 2003 such as:

1. Beating Heart Coronary Bypass Surgery (Off-Pump CABG),
2. Endoscopic Vein Harvesting (EVH),
3. Video Assisted Thoracoscopic (VATS) Lung Surgery, VATS Sympathectomy and VATS Thymectomy,
4. Blood Cardioplegia for myocardial protection,
5. Radial Artery conduit and Harmonic Scalpel harvesting technique,
6. Outpatient Treatment of Pneumothorax Using Pneumostat (Heimlich Valve) Device.

In 2002, he performed the world's first successful SVC Bypass surgery using Bovine Pericardium. In 2003, he performed the world's first successful Off-Pump Coronary Bypass in a High Risk Dextrocardia patient. For these clinical achievement, he was awarded The Outstanding Young Malaysian (TOYM) Award in 2006. In 2009, a conjoint effort with National University Hospital of Malaysia (UKMMC) cardiac team, he introduced a new technique of endoscopic vein harvesting using a German made Vascular Micro Milling System (VMMS). In 2011, he pioneered the use of thermo reactive Nitinol sternal closure clips (Flexigrip) in Malaysia. In February 2012, he pioneered the use of Everpoint (tungsten-rhenium alloy) suture by Johnson & Johnson for Coronary Bypass Surgery cases in Malaysia. The first 72 successful cases were presented during Cardiac Review Symposium at University of Singapore in November 2012.

Dato' Dr. Mohd Fikri does not hold any directorship in other public companies,

He does not have any family relationship with any of the other Directors and/or major shareholders of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors.

He has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year.

MASRI BIN MD HASIM

Senior Business Development Manager

En. Masri, a Malaysian, male, aged 42, was appointed as Senior Business Development Manager on 1 July 2019. He graduated with a professional degree in Engineering in 2002 from Stevens Institute of Technology, New Jersey, USA.

En. Masri has more than 12 years of experience in the Medical Device industry, focusing on setups for Invasive Catherization Laboratory, Operating Theatre, Cardiology and Special Diagnostics. En. Masri used to serve in Medical Device companies such as BBraun, Biotronik and Medtronic.

En. Masri does not hold any directorship in other public companies.

He does not have any family relationship with any Director and/or major shareholder. He does not have any conflict of interest with the company and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT'S PROFILE CONT'D

SATHEESH CHANDRAN

Software Development Manager

Mr Satheesh Chandran, an Indian, male, aged 43 was appointed as Software Development Manager on 15 July 2020. He is a solution provider, with 19 years of industry experience in developing, managing, leading software projects from conception through implementation and also expert in software project design, architect, development and deployment in open source technologies. He obtained his Master of Computer Application from Annamalai University, India in the year of 2003. Also he obtained his Project Management Professional (PMP) certificate, Certified Scrum Master (CSM) in year of 2020. His specialities include organizing and coordinating software development team members to meet complex, highly technical challenges while meeting the stringent deadlines and quality requirements.

Mr Satheesh does not hold any directorship in other public companies

He does not have any family relationship with any Director and/or major shareholder. He does not have any conflict of interest with the company and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased as the Chairman of UCrest Berhad to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 May 2021 ("FYE 2021").

Financial and Operational Performance

The Group has posted a revenue of RM25.457 million and a net profit of RM11.568 million FYE 2021.

The Group has signed a Memorandum of Understanding ("MOU") with RDIF in April 2021 to provide services to identify, qualify and engage contract manufacturers to produce and deliver Sputnik V vaccines. The MOU states that RDIF will take or pay minimum of 100 million doses, up to 1 billion doses of vaccines in the first two years and renewable for another year after.

Three contract manufacturers in China have been qualified and inked agreement or MOU to produce a total of at least 100 million doses of the vaccines in the first two years, renewable on the third year, subject to the market condition.

The MOU is followed with the Master Service Agreement ("MSA") signed in September 2021.

The Group has also successfully penetrated the sleep apnea market. Coupled with the MCard™ Internet of Medical Things ("IoMT") technology of Key ASIC, iMedic™ has penetrated the sleep centers in the US. BMC, the leading CPAP machine maker in China has also integrated iMedic™ and MCard™ into their CPAP equipment, giving the Group a good lead into this rapidly growing market space.

iMedic™ continues to gain traction and adoption by doctors, contributing to most of the revenue of the Group.

Industry Outlook and Development

The unprecedented movement restriction imposed by governments across the globe has accelerated the adoption of telehealth worldwide and Asia Pacific. As indicated in the survey below, there has been 38X growth in telehealth worldwide. However, it has been stabilized since.

More than 50% of the insurers have offered telehealth plans and the rest are in the process of developing their plans. Some of the services generally covered under telehealth plan are general consultation, drugs/prescription, specialist consultation and mental health. In terms of the types of diseases covered are simple acute, chronic diseases management and mental health. There is a growing adoption on sleep apnea and skin diseases.

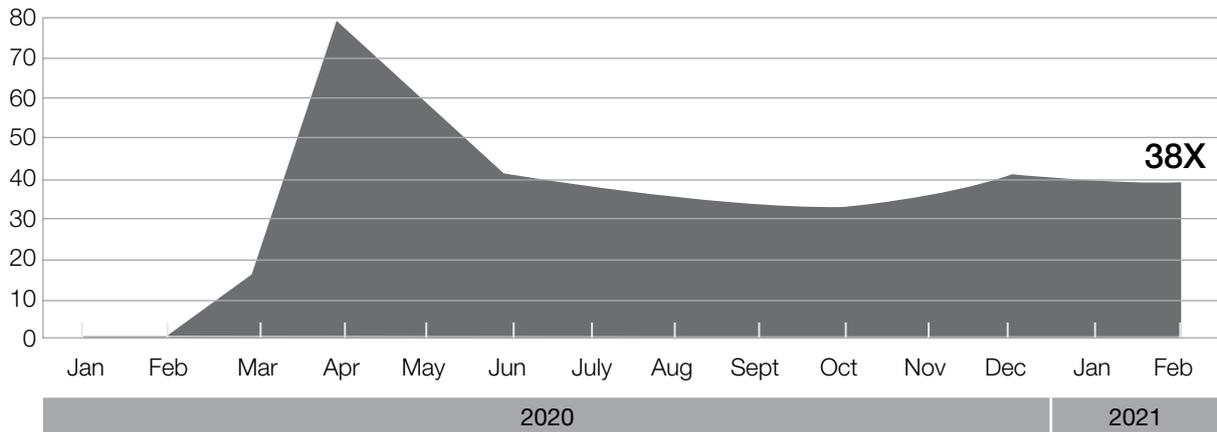
IoMT devices are growing into the Wi-Fi connectivity gradually over taking the market share of the Bluetooth devices over time, eliminating the need for the smart phone and are suitable for the senior patients who are not tech-savvy.

The utilization of artificial intelligence ("AI") to automate the workflow, diagnosis and therapeutic processes of the doctors is a fast-growing trend. Billions of dollars have been invested in the recent years into AI in all areas of healthcare including pharmaceutical product development, AI radiology, outcome based insurance and intelligent medical devices.

CHAIRMAN'S STATEMENT CONT'D

Growth in telehealth usage peaked during April 2020 But has since stabilized.

Telehealth Claims volumes, compared to pre-Covid-19 levels (February 2020 = 1)¹



¹ Includes cardiology, dental/oral, dermatology, endocrinology, ENT medicine, gastroenterology, general medicine, general surgery, gynecology, hematology, infectious diseases, neonatal, nephrology, neurological medicine, neurosurgery, oncology, ophthalmology, orthopedic surgery, poisoning/drug tox./comp. of TX, psychiatry, pulmonary medicine, rheumatology, substance use disorder treatment, urology. Also includes only evaluation and management visits; excludes
Source: Compile database; McKinsey analysis

Prospects

As the benefits of the use of telehealth becomes more prominent in terms of its cost efficiency and effectiveness in disease management over time, the hospital/doctors, insurance, pharmaceutical companies and device makers will have to actively invest to stay competitive. Telehealth platform will not only be a platform for doctors to provide consultation and prescription, but an e-commerce platform for healthcare related goods and services.

The telehealth market is expected to grow at over 20% per year over the next few years. However, the term “telehealth” does not fully describe the development of automation with the use of AI and the development of connected device with the use of IoMT technologies. The telehealth market will be further powered by IoMT and AI.

Regulatory changes of each country will have impact on the development of telehealth. Rapid regulatory changes put in place to incentivize the market will help to accelerate the adoption of telehealth and reduce the spending of the national healthcare. Most countries have started regulating the telehealth, AI and IoMT such that insurance will be paying for the services.

Appreciation

I wish to express my greatest appreciation to all the members of the Board of Directors, valuable and talented employees, our supportive business partners and associates, for their relentless effort and contribution to the Group.

Thank You.

EG KAH YEE

Chairman/ Managing Director

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Description of the Group's Business

The Group doubled its revenue and recorded net profit of over RM11 millions. iMedic™ contributed most of the revenue and profits and the rest is attributed by customization services of the platform. International business contributed the bulk of the revenue while less than a few percent is from domestic market.

The Q-to-Q revenue linearity is not achieved yet at this moment largely due to disruption of the pandemic where budgets are reallocated for the emergency use.

Though the market is very receptive to telehealth, the heavily regulated market is influenced by the legislation of the country. The markets that are well regulated for telehealth services will see a faster growth while others might have to wait for the change in the legislation. Insurance companies are supporting the telehealth with a variety of programs and they are expected to grow significantly over the next few years.

Financial Year Ended 31 May 2021 ("FYE 2021")

Revenue

The Group registered total revenue of RM25.457 million in FYE 2021.

Costs and expenses

Total costs and expenses before finance costs for FYE 2021 which amounted to RM24.041 million comprised of the following items:

- (a) Purchases and other direct costs amounted to RM9.982million for FYE 2021.
- (b) Selling and distribution costs amounted to RM0.006 million for FYE 2021.
- (c) Administration and other expenses amounted to RM14.053 million was mainly due to payroll costs, rental, depreciation, amortisation of intangible assets and ESOS expenses.

Other income

Other income of the Group stood at RM2.653 million in FYE 2021, mainly due to fixed deposit interest income of RM0.051 million, reversal of provision of project cost of RM2.000 million, rent concession of RM0.016 million, sundries income of RM0.007 million and foreign exchange gains of RM0.579 million on the Group's USD denominated assets as a result of the strengthening of US Dollar against Malaysian Ringgit.

Net gain on impairment on financial instruments amounted to RM7.717 million comprised of impairment losses reversed on trade receivables of RM9.056 million and impairment losses recognised on trade receivables of RM1.339 million.

Finance costs

The Group's finance cost of RM0.099 million was mainly due to the overdraft interests and unwinding of discount on trade payables incurred during the financial year.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONT'D

Taxation

The income tax expense for the Group was RM0.120 million.

Profit attributable to Owners of the Company

Profit attributable to Owners of the Company was RM11.568 million or 2.18 sen per basic share.

Liquidity and capital resources

Cash and cash equivalents of the Group amounted to RM18.646 million which comprises the fixed and short term deposits with licensed bank of RM11.048 million, cash and bank balances of RM7.598 million.

The Group's net cash used in operating activities was RM4.345 million, and capital expenditure in respect of property, plant and equipment was RM0.007 million for FYE 2021.

Prospects

While the adoption of telehealth services continues to grow, the e-commerce side of the platform will grow significantly over the next few years. Patients will be empowered with tools that will help in self-management of their health, and they will have higher adherence to the medication and supplements with regular measurement of their vital signs and biomarkers.

Chronic diseases management remains to be the highest slice of the healthcare expenses. The Governments or the insurance companies are expected to roll out various programs to focus on prevention and management to reduce the escalating costs of treating such diseases at the late stage. iMedic™ will play in significant role in capitalizing this segment of the market.

IoMT based medical devices will be growing fast as the Group continues to advocate the concept of "home is clinic" where home will be equipped with various Wi-Fi devices.

AI will play a key role in the telehealth platform in diagnosis and therapeutic of various diseases. Image and video processing related AI technology will be used in the radiology and pathology labs. These AI technologies will also be used in the health screening, reducing cost substantially, making prevention and precision medicine one step closer to reality.

Chronic disease management, simple acute consultation, IoMT devices and AI technologies are the core technologies of iMedic™ and the platform is well positioned to capture the growth of these areas.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established with the primary objective to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate governance and practices for the Group, to improve the business efficiency and enhance the independent role of external and internal auditors.

1. COMPOSITION OF AUDIT COMMITTEE

The present members of the Audit Committee comprise of:-

Chairman

Thong Kooi Pin – Independent Non-Executive Director

Members

Abdul Razak Bin Dato’ Haji Ipap – Independent Non-Executive Director

Chuan Tsui Ju – Independent Non-Executive Director

2. SECRETARIES

The Secretaries to the AC are the Company Secretaries of the Company.

3. TERMS OF REFERENCE

The Terms of Reference is available on our corporate website at www.ucrest.net.

4. SUMMARY OF MEETING AND ACTIVITIES UNDERTAKEN

A total of five (5) meetings were held during the financial year ended 31 May 2021. The attendance records of the meetings are as follows:-

	Meetings attended
Thong Kooi Pin	5/5
Abdul Razak Bin Dato’ Haji Ipap	5/5
Chuan Tsui Ju	5/5

SUMMARY OF ACTIVITIES OF COMMITTEE

During the financial year ended 31 May 2021, the Committee has carried out the following activities:-

- (i) reviewed the annual financial statements of the Group on 22 September 2020 prior to submission to the Board for their consideration and approval;
- (ii) reviewed the quarterly unaudited financial results of the Group in June 2020, July 2020, October 2020, January 2021 and April 2021 prior to recommending them for approval by the Board. The financial results were presented by Management in the presence of the Auditors who attended to the queries raised by the Committee. The Committee was satisfied that the financial results had been prepared in accordance with Malaysian Financial Reporting Standards 134;
- (iii) reviewed the recurrent related party transactions entered into by the Group and ensured that the transactions were within the threshold as set and in accordance with the mandate obtained from the shareholders;

AUDIT COMMITTEE REPORT CONT'D

- (iv) reviewed the Circular to shareholders in relation to the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature;
- (v) discussed and reviewed the fees of the External Auditors;
- (vi) reviewed and discussed with the External Auditors the Audit Planning Memorandum and Audit Status Report for the 2021 and recommended the same for the Board's notation;
- (vii) the assessment on the External Auditors was conducted by completing personalised evaluation form as guided by the Corporate Governance Guide on Evaluation of External Auditors Performance and independence Checklist. The AC had, with the assistance from the Management, assessed the performance and independence of CAS Malaysia PLT ("CAS") and recommended that CAS be re-appointed as the External Auditors of the Company. CAS was re-appointed as the External Auditors of the Company at the last Annual General Meeting of the Company. Subsequent thereto, the Company had received a notice in writing from CAS on their resignation as External Auditors of the Company. The AC had reviewed and recommended that UHY be appointed as the External Auditors of the Company for the financial year ended 31 May 2021 in place of CAS;
- (viii) assessed the suitability and independence of Messrs UHY and recommended the re-appointment as the External Auditors of the Company at the forthcoming Annual General Meeting;
- (ix) reviewed and discussed with the Internal Auditors on the key risks of the Group covered in the Enterprise Risk Management Report and 2020 Risk Management Follow-up Report prepared by the Internal Auditors including the management action plans based on the recommendation highlighted by the Internal Auditors before updating the Board;
- (x) reviewed and discussed with the Internal Auditors, the Internal Audit Plan, the Internal Audit Report and Internal Audit Follow-Up Report on Research and Development ("R&D") of Information and Technology ("IT") Department, system of internal control of the Human Resource Department and the follow up Internal Audit Issues of the Human Resource Department and Procurement Department including the management action plans based on the recommendation highlighted by the Internal Auditors before updating the Board;
- (xi) assessed the performance of the Internal Auditors based on personalised evaluation form. The AC was satisfied with the performance of the Internal Auditors; and
- (xii) verified the allocation of 67,732,000 options to respective Directors and employees in accordance with the ESOS By-Laws.

5. INTERNAL AUDIT FUNCTION

Internal auditors reports directly to the AC. The functions of the internal auditors are to ensure a regular review of the adequacy and integrity of its internal control system. The internal auditors will also be required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach.

The internal auditors are required to conduct regular and systematic reviews on all operating units and submit an independent report to the AC for review and approval to ensure adequate coverage. The Group has incurred approximately RM16,000 in the financial year ended 31 May 2021 in maintaining the internal audit function.

AUDIT COMMITTEE REPORT CONT'D

6. OVERSIGHT OF EXTERNAL AUDIT

- (i) The External Auditors attended three (3) AC Meetings held in FYE 2021;
- (ii) Reviewed the Audit Planning Memorandum FYE 2021 by the External Auditors, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group;
- (iii) Received the communications from the External Auditors for the financial year ended 31 May 2021, covering updates of matters to highlight and significant outstanding information/documents from the audit field works;
- (iv) Reviewed the suitability and independence of the External Auditors vide a personalised "Assessment on External Auditors" and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval;
- (v) Discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2021, including any significant issues and concerns arising from the audit; and
- (vi) Reviewed the audit fees for FYE 2021 prior to the Board's approval.

7. OVERSIGHT OF INTERNAL AUDIT

- (i) The internal auditors attended five (5) AC Meetings held in FYE 2021;
- (ii) Reviewed the risk-based Internal Audit Plan for the Group for FYE 2021 and approved for adoption of the same by the Group throughout FYE 2021;
- (iii) Reviewed the Internal Audit Reports for FYE 2021 and assessed the internal auditors' findings and the management's responses and made the necessary recommendations to the Board for approval;
- (iv) Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports;
- (v) Reviewed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities for FYE 2021; and
- (vi) Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors for FYE 2021 and that they have the necessary authority to carry out their work.

8. REVIEW OF RELATED PARTY TRANSACTION

- (i) Reviewed any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions on management integrity at each AC quarterly meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of good corporate governance in discharging its responsibilities, protecting and enhancing shareholders' value through promoting and practicing high standards of corporate governance throughout the Group. The Board adopts and applies the principles and best practices as governed by the ACE Market Listing Requirements of Bursa Securities ("LR") and Malaysian Code on Corporate Governance ("Code"). Where there are gaps in the Company's observation of any of the recommendations of the Code, these are disclosed herein with explanations.

The Corporate Governance Report ("CG Report") provides the details on how UCrest has applied each Practice as set out in the Code during the financial year ended 31 May 2021 ("FYE 2021"). The CG Report is available on our corporate website at www.ucrest.net.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board's Role and Responsibilities

The Board has the overall responsibility for the performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board is responsible in formulating and reviewing of strategic plans, key policies and monitoring the Group's business operations. The Board delegates the day-to-day management of the Company's business to the management team but reserves for its consideration of significant matters such as the following:-

- Approval of financial results;
- Declaration of dividends;
- Risk appetite setting;
- Credit policy;
- Business (Acquisitions/Disposal);
- Capital Expenditures;
- Corporate Proposal; and
- Budget.

The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board Meetings when reviewing the unaudited quarterly results. During the meeting, the Board participates in the discussion on the performance of the Group.

The Board assumes the following responsibilities:-

- Reviewing, adopting and monitoring strategic plan for the Group
- Overseeing the conduct of the Company's business
- Identifying risks and assume active role in ensuring the implementation of appropriate systems to manage or mitigate these risks
- Succession planning, including appointing, training, fixing the compensation of the key managements
- Ensuring measures are in place to assess and oversee Management's performance
- Developing and implementing an investor relations programme or shareholder communications policy for the Group
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit Committee ("AC")
- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Option Committee ("OC")

The Board has defined the terms of reference for each Committee and the Chairman of these respective committees report and update the Board on significant matters and salient matters deliberated by the Committees.

1.2 Chairman of the Board

The Chairman leads the strategic planning at the Board level. He ensures that all the Directors are briefed on issues arising at Board meetings and sufficient time is allowed for discussion.

The position of Chairman is currently headed by the Managing Director, Eg Kah Yee. During this period, the Managing Director undertakes the roles and functions of the Chairmanship:-

- (a) Act as Advisor to the Senior Management by providing support and guidance;
- (b) Chairing the Board meetings;
- (c) Providing leadership to the Board and is responsible for the developmental needs of the Board;
- (d) Ensuring that guidelines and procedures are in place to govern the Board's operation and conduct;
- (e) Ensuring the smooth functioning of the Board and the Governance structure and inculcating positive culture in the Board; and
- (f) Sets the objective, maintains good corporate governance for the Board to focus towards the Company's goals.

1.3 Separation of Position of Chairman and Managing Director

There is a division of responsibilities between the Chairman and the Managing Director ("MD") to ensure that there is balance of power and authority ever since the first Executive Director ("ED") of the Group has been appointed. The Chairman is responsible for the Board's effectiveness and conduct, whilst the ED has overall responsibilities over the business and operation of the Group. The ED is responsible to formulate business and operations strategies and is empowered to structure the management team in discharging his duties to achieve the goals that has been assigned to him by the Board. The Board is still in favour of the abovementioned division of responsibilities despite the Chairman has assumed the role of ED.

Currently, the Chairman of the Board is headed by the Managing Director, Eg Kah Yee. Although a separation of position of Chairman and the Managing Director is recommended, it is the collective view of the Board, based on the current state of affair of and his shareholdings in the company, Eg Kah Yee's expertise is highly needed and the Board is confident that the current practice is best in maintaining the sustainability and the creativity of the Group in moving forward for Eg Kah Yee to remain as the Chairman.

In addition to the abovementioned, the current composition of the Board comprises of a majority of Independent Non-Executive Directors. This provides a check and balance on the Company management with a view to safeguarding and protects the interest of all shareholders as a whole.

1.4 Qualified and Competent Company Secretaries

The Board has direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act, 2016.

The Board is updated by the Company Secretaries on new statutes and directives issued by the regulatory authorities. The Company Secretaries has attended the Board and Committee meetings and ensured that all procedures are adhered.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Roles and responsibilities of the Company Secretaries can be found in the CG Report.

The Company Secretaries also attend regular trainings to keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance.

1.5 Access to Information and Advice

In reviewing and analysing the quarterly interim financial results, the Board was provided with various corroborative information and data. Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the scheduled meetings via emails or physical copies to ensure sufficient time is given to the Directors to read the Board papers and seek clarification, if necessary, and enable them to deliberate issues raised during Board meetings more effectively. Additionally, management was also invited to brief and report in meetings of the Board and Board Committees.

The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The Company Secretaries will circulate the draft minutes of meetings for the Board and Board's Committee review in a timely manner.

1.6 Board Charter

A Board Charter had been established with the objectives to ensure that all Board Members are aware of their duties and responsibilities, the various legislations and regulations affecting their conduct, principles and practices of good corporate governance are applied accordingly. The Board Charter is reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

Roles and responsibilities of the board can be found in the CG Report.

The Board Charter was last reviewed and updated on 25 April 2018 and would be reviewed and updated periodically.

The Board Charter is available on the Company's website at www.ucrest.net

1.7 Code of Conduct, Whistle Blower Policy and the Anti-Bribery & Corruption Policy

The Board strongly believes in applying good working ethics and code of conduct in all business dealings. The Board established the Code of Conduct and Ethics based on the following principles:-

- (a) Conflicts of interest;
- (b) Corporate opportunities;
- (c) Protection of confidential information;
- (d) Protection and Proper Use of Company Assets;
- (e) Compliance with laws, rules and regulations;
- (f) Trading on inside information;
- (g) Bribery and Corruption;
- (h) Money Laundering;
- (i) Preventing the abuse of power;
- (j) Compliance with this Code and reporting of any illegal or unethical behavior; and
- (k) Waivers and amendments.

The Code of Conduct and Ethics was reviewed and updated on 25 April 2018 and will be reviewed and updated periodically.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

The Board recognises the importance of whistle-blowing and is committed to maintain the standards of ethical conduct within the Group. The Company is committed to operating in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its board members, officers and/or employees. The Board had established a Whistle Blower policy which outlines procedures for employees to report actions that an employee reasonably believes violate a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to the Group's business. This policy has accordingly been inserted in the employee manual/handbook.

The Whistle Blower policy was reviewed and updated on 25 April 2018 and will be reviewed and updated periodically.

The Code of Conduct and Ethics, Whistle Blower policy and the Anti-Bribery & Corruption policy are available on the Company's website at www.ucrest.net

1.8 Time Commitments

The Board is primarily responsible for the strategic directions of the Group and is scheduled to meet at least four (4) times a year. However, additional meetings may be convened as and when deemed necessary as determined by the members of the Board.

During the financial year ended 31 May 2021, six (6) board meetings were held and the details of each Director's attendance are set out as follows:-

Directors	Meeting Attendance
Eg Kah Yee (Chairman)	6/6
Eg Kaa Chee	6/6
Abdul Razak Bin Dato' Haji Ipap	6/6
Thong Kooi Pin	6/6
Chuan Tsui Ju	6/6
Prof. Low Teck Seng	6/6
Dato' Dr. Mohd Fikri Bin Abdullah	4/6

Currently, all Directors of the Company held less than five (5) directorships in other listed companies.

The Chairman of the Board and the Company Secretaries shall be notified of any new directorship by any Board members before accepting new directorship. The notification shall include an indication of time that will be spent on the new appointment. The Company does not have policy nor impose any time commitment on its independent and non-executive director's position to commit their time to the Company but the Board members are supportive of the Chairman whenever a board meeting is called to deliberate important matters related to the Group.

The Directors are required to notify the Chairman, prior to their acceptance of new directorships in other companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

1.9 Board Composition

The existing composition of the Board is as set out below:-

Directors	Designation
Eg Kah Yee	<i>Chairman/Managing Director</i>
Eg Kaa Chee	<i>Non-Independent Non-Executive Director</i>
Abdul Razak Bin Dato' Haji Ipap	<i>Independent Non-Executive Director</i>
Thong Kooi Pin	<i>Independent Non-Executive Director</i>
Chuan Tsui Ju	<i>Independent Non-Executive Director</i>
Prof. Low Teck Seng	<i>Independent Non-Executive Director</i>
Dato' Dr. Mohd Fikri Bin Abdullah	<i>Independent Non-Executive Director</i>

The current Board has seven (7) members comprising the Managing Director (Chairman), one (1) Non-Independent Non-Executive Director and five (5) Independent Non-Executive Directors. The composition of the Board comprises of a majority of Independent Non-Executive Directors. The Board is satisfied with the current composition and the composition fairly reflects the investment of shareholders and balance in view of the Group's Business.

2.0 Independent Non-Executive Directors

The Company do not have a policy which limits the tenure of its independent directors to nine (9) years. However, the Board takes note that the Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Non-Executive Director. If the Board continues to retain the Independent Non-executive Director after the twelfth year, the Board should seek annual shareholders' approval through a two tier voting process.

Shareholders' approval would be sought if an Independent Director who has served in that capacity for more than nine (9) and twelve (12) years shall remain as an Independent Director. The Nomination Committee will assess the independence of the Independent Director based on the assessment criteria developed by the (NC), and recommend to the Board for recommendation to the shareholders. Justification for the approval would be provided.

The details of director who serve more than 9 years can be found in the CG Report.

2.1 Appointments to the Board

As documented in the approved Board Charter, the Board may exercise the power pursuant to the Constitution to appoint a person who is willing to act as a Director either to fill a casual vacancy or as an additional Director upon appropriate recommendation by the NC.

The appointment of new directorship would be through a formal and transparent selection process and would take into consideration the evaluation of the candidates' abilities in terms of their skills, knowledge, experience, expertise and integrity to discharge their responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

2.2 Boardroom and Gender Diversity

The Board recognises the importance of gender diversity and is committed to the extent practicable, to address the recommendation of the Code relating to the establishment of a policy formalising its approach to boardroom and workplace diversity.

The Board has on 25 April 2018 adopted a Gender Diversity Policy. Diversity which encompasses various areas such as gender, age, ethnicity and cultural background and the Board firmly believes that a well diversified workplace could benefit the Company to achieve:-

- (a) a good morale between the workforce that leads to a healthy work culture where employees motivate each other to perform at a higher level;
- (b) With a gender-diverse workforce, the company can expand its customer base and offer better services;
- (c) improved employment and career development opportunities for women;
- (d) a gender-balanced team brings with it greater industry knowledge and helps the company access more resources, as well as multiple channels of information; and
- (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The appointment of Chuan Tsui Ju on 22 November 2013 reflects that the Board recognises the value of a lady member of the Board and is a step taken by the Board towards achieving a more gender diversified Board.

2.3 Re-election of Directors

In accordance to the Company's Constitution, Directors appointed during the year is required to retire and seek election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Constitution also require one-third (1/3) of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election every three (3) years.

The Nomination Committee has considered the assessment of Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah, the Directors standing for re-election and collectively agrees that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors.

2.4 Professional Developments

The Directors during financial year 2021, have attended the following trainings:-

Director	Trainings	Date
Eg Kah Yee	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Eg Kaa Chee	Corporate Fraud Recovery Strategies & Challenges by Bar Council	29 January 2021
	Price Action Manipulation by Piranha Pte Ltd	18 April 2021
	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Abdul Razak Bin Dato' Haji Ipap	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Director	Trainings	Date
Thong Kooi Pin	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Chuan Tsui Ju	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Prof Low Teck Seng	Opportunities in green energy (hydrogen) by Temasek Holdings	19 August 2020
	Board Transformation by PUB Singapore	23 March 2021
	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Dato' Dr. Mohd Fikri Bin Abdullah	ZP Therapeutics Diabetes Virtual Launch – “It’s Time to Truli – REWIND” by Malaysian Medical Association	23 January 2021
	Multidisciplinary Approach to LDL-C Management in Private Practice by Malaysian Medical Association	20 February 2021
	“Stable” HFrEF; To Rock the Boat or Not? By Malaysian Medical Association	17 March 2021
	SGLT2i in the Treatment of HF with or without T2D by Malaysian Medical Association	20 March 2021
	Virtual Diabetes Workshop: What’s New in 2021 by Malaysian Medical Association	20 March 2021
	Serdang Virtual Thoracic MDT by Malaysian Medical Association	22 March 2021
	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021

2.5 Nomination Committee

The NC was established on 22 February 2013 and has been tasked with the responsibilities to recommend new appointment to the Board. The NC shall be appointed by the Board of Directors and shall comprise exclusively of non-executive directors, a majority of whom are independent directors. The NC has two (2) members, all of whom are Independent Directors:

Chairman

Thong Kooi Pin (Independent Non-Executive Director)

Member

Abdul Razak Bin Dato' Haji Ipap (Independent Non-Executive Director)

The Terms of Reference of the NC is available at the Company's website at www.ucrest.net

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Summary of Activities undertaken by the Nomination Committee

During the financial year ended 2021, the following activities were undertaken by Nomination Committee:-

- Assessed the effectiveness and required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the committees of the Board and the contribution of each existing Director and thereafter, recommend the findings to the Board;
- Assessed the term of office and performance of the Audit Committee and each individual member;
- Assessed the independence of the Independent Directors based on criteria set out in the Listing Requirements;
- Reviewed and recommended the re-election of Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah;
- Reviewed and recommended the retention of Thong Kooi Pin and Abdul Razak Bin Dato' Haji Ipap to continue in office as Independent Non-Executive Directors; and
- Reviewed the training needs of the Directors.

On 13 August 2021, the NC assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their character, integrity and time commitment, independence of Independent Directors. The NC reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

The summary of the assessment and its findings was tabled to the NC on 13 August 2021. Based on the summary as presented, the NC tabled its recommendations to the Board of Directors at the Board of Directors' Meeting held on 13 August 2021.

The NC had on 13 August 2021, assessed the independence of the independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company. Based on the recommendations from the NC, the Board had also assessed and would be proposing to the shareholders' for approval the continuation in office of Thong Kooi Pin and Abdul Razak Bin Dato' Haji Ipap as Independent Non-Executive Directors of the Company at the AGM. A two-tier voting process would be adopted when seeking the shareholders' approval to retain Encik Abdul Razak bin Dato' Haji Ipap and Thong Kooi Pin as Independent Non-Executive Directors of the Company.

The Board's proposal for continuation in office as Independent Non-Executive Directors were based on the following:-

Thong Kooi Pin

- (i) He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Thus, he would able to function as a check and balance and bring an element of objectivity to the Board;
- (ii) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- (iii) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Abdul Razak Bin Dato' Haji Ipap

- (i) He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Thus, he would be able to function as a check and balance and bring an element of objectivity to the Board;
- (ii) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- (iii) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders.

Other than Directors' fees, options granted and allowances paid which had been the norm and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to the Independent Directors that would cause biases in their objective and independent judgement in board deliberation.

2.6 Remuneration Policy

The Company has established a remuneration policy for the Directors and Senior Management to support and drive business strategy and long-term objectives of the Company and its subsidiaries.

Among others, the following are some of the criteria adopted by the Company and its subsidiaries in considering the remuneration of the Senior Management:-

- The overall performance of the Company and its subsidiaries;
- General economic situation;
- Prevailing market practice;
- Salary position against market;
- Skills and experience; and
- Individual performance

In this regard, the RC is responsible to implement the policies and procedures on the remuneration for the Managing Director ("MD") whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including MD and Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and the Company attracts, retains and motivates the Directors and Senior Management who are with strong credentials, high caliber and astute insights to run the business successfully.

The remuneration package is reflective of the individual Director's and Senior Management's experience and level of responsibilities and it is structured to link to corporate and individual performance. The RC is responsible for determining the level and make up of MD's remuneration and approved by the Board, with the presence of a majority of non-executive directors. The MD however, does not participate in any way when determining their respective remuneration package. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Key Senior Management.

All Directors are paid fixed monthly directors' fee except for the managing director. The managing director received annual remuneration package including but not limited to telecommunication facilities and other reimbursable/claimable benefits-in-kind as may be determined from time to time, for the purposes of carrying out his duty as MD. The determination of the monthly annual directors' fee for Directors is a matter for the Board as a whole, depending on any additional responsibilities taken. The monthly directors' fee payable to Directors is presented to the shareholders at the Annual General Meeting for their approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

The Remuneration Policy of Directors and Senior Management was adopted by the Board on 25 April 2018. The Policy would be reviewed and updated periodically.

Details of remuneration of Directors of the Company for the financial year ended 31 May 2021 are as follows:-

Director	Group (RM)	Company (RM)
Eg Kah Yee	120,000.00	120,000.00
Eg Kaa Chee	24,000.00	24,000.00
Thong Kooi Pin	24,000.00	24,000.00
Chuan Tsui Ju	24,000.00	24,000.00
Abdul Razak Bin Dato' Haji Ipap	24,000.00	24,000.00
Dato' Dr. Mohd Fikri Bin Abdullah	24,000.00	24,000.00
Prof Low Teck Seng	24,000.00	24,000.00

The Company respects the confidentiality of the remuneration of the Senior Management in view of the competitive nature of human resource market. Thus, the Company does not have the intention to adopt the recommendation to disclose the details of each member of senior management in bands of RM50,000 on a named basis.

However, the Company would endeavour to ensure that the remuneration package of the employees is in line with the industry practices and the annual increments and bonuses pay-out are based on individual performances.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1.1 Audit Committee

The Audit Committee (“AC”) was established with the primary objective to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate governance and practices for the Group, to improve the business efficiency and enhance the independent role of external and internal auditors.

The AC has three (3) members who are independent Non-Executive Directors. The following are the members of the AC:-

Chairman

Thong Kooi Pin – Independent Non-Executive Director

Members

Abdul Razak Bin Dato' Haji Ipap – Independent Non-Executive Director

Chuan Tsui Ju – Independent Non-Executive Director

The Chairman of the AC is not the Chairman of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

1.2 External Auditors

The Board has established a transparent relationship with the External Auditors through the AC, which has been accorded the authority to communicate directly with the external auditors. The auditors in turn are able to highlight matters which require the attention of the Board to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

The AC undertakes annual assessment of the suitability and independence of the External Auditors. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the External Auditors, the fees and the independence of and the level of non-audit services rendered to the Group.

The AC is satisfied with the external auditors' confirmation of independence and their conduct of the audit. These confirmations were made pursuant to the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The AC had on 13 August 2021 conducted an assessment on the suitability and independence of the External Auditors. Based on the assessment, the AC was satisfied with Messrs UHY's competency, experience and independence. The Board, based on the AC's recommendation, would be tabling the re-appointment of Messrs UHY as the External Auditors of the Company at the Twenty-Fourth AGM.

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 May 2021 are as follows:-

	Group (RM)	Company (RM)
Audit	145,000	94,000
Non-Audit	5,000	5,000

1.3 Internal Audit Function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm to provide its services to meet with the Group's required service level.

Internal auditor reports directly to the AC. The functions of the internal auditor are to ensure a regular review of the adequacy and integrity of its internal control system. The internal auditor will also be required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach based on COSO assessment model.

The assessment of the internal audit is reported periodically to the AC. The recommendations arising from the internal audit and its implementations would be monitored.

The internal audit function is outsourced to an independent professional firm, Vaersa Advisory Sdn Bhd. The internal audit team is headed by Mr Quincy Gan who possesses the relevant qualification and experience and is assisted by four members.

The expenses incurred for the internal audit function for FYE 2021 is RM16,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

1.4 Risk Management and Internal Control Framework

The Group has put in place an Enterprise Risk Management framework (“ERM”) which comprises the following elements:

- Communicate and disseminate across the organisation the vision, role and direction of the Group;
- Provide guiding principles and approach towards risk management;
- Process of identification, assessment, evaluation and management of the various principal risks which affect the Group’s business;
- Creation of a risk-awareness culture and risk ownership for more effective management of risks;
- Regular review, tracking and reporting on keys risks identified and corresponding mitigation procedures; and
- Regular review of the effectiveness of the system of internal control.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group’s operations and processes.

During FYE 2021, the AC reviewed and updated the risk management function constantly to safeguard shareholders’ investments and the Group’s assets.

The Group’s internal audit function which includes the risk management function has been outsourced to external consultant which report directly to the AC.

The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on page 33 of this Annual Report provides an overview of the Group’s approach to ensure the effectiveness of the risk management and internal processes within the Group.

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

1.1 Communication

The Company is committed to provide clear, accurate and timely disclosure of all material information to its stakeholders and the general public. The Company will ensure compliance with the disclosure requirements as set out in the Listing Requirements (“LR”) at all times.

1.2 Leverage on Information Technology for Effective Dissemination of Information

The Company maintains various methods of dissemination of information and has established a website at www.ucrest.net from which shareholders and the general public may access among others, the latest information on the activities of the Group; product information; announcements made to Bursa Securities; Annual Report and Board Charter.

1.3 Encourage Shareholder Participation at General Meetings

As stated earlier, the Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders’ participation at general meetings as recommended by the Code.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during the AGMs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

In view of the COVID-19 pandemic and the strict Standard Operating Procedures enforced by the Government of Malaysia, the Twenty-Third Annual General Meeting ("23rd AGM") of the Company was held virtually through live streaming from the Broadcast venue at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor. The 23rd AGM was carried out in accordance with the Companies Act 2016, the Company's Constitution and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia. Shareholders and proxies participated at the 23rd AGM remotely using the Remote Participation and Electronic Voting services without the need to be physically present at the meeting venue.

Notice of the 23rd AGM together with the Company's Annual Report was issued to the shareholders on 30 September 2020, being more than 28 days in advance of the scheduled AGM which was held on 17 November 2020. This is to enable the shareholders have sufficient time to read and understand the Company's financial and non-financial performance before the meeting.

Pursuant to the ACE Market Listing Requirement, any resolution set out in the notice of any general meeting, or in any notice of resolutions which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Voting for all resolutions as set out in the Notice of AGM held on 17 November 2020 were voted by poll and validated by an Independent Scrutineer.

1.4 Effective Communication and Proactive Engagement

AGM also provides an effective means of face-to-face communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM.

This CG Overview Statement was approved by the Board of the Company on 20 September 2021.

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

It is the Board's responsibility to ensure that the financial statements are prepared in accordance with the Companies Act, 2016 and the applicable approved accounting standards set by Malaysian Accounting Standard Board so as to present a balanced and fair assessment of the Group's financial position and prospects. The Directors are also responsible for keeping proper accounting records, safeguarding the assets of the Company and taking reasonable steps to prevent and enable detection of fraud and other irregularities.

In preparing the financial statements, the Directors have taken the necessary steps and actions as follows:-

- a) selecting suitable accounting policies and then applying them consistently. This is done through discussion with the current reporting auditor if there is any changes in the accounting standard that may affect the way of the financial statement is presented;
- b) stating whether applicable accounting standards have been followed;
- c) making judgements and estimates that are reasonable and prudent. The Board makes judgements and estimates by carefully considering all aspects of the variables concerned and especially in the case of sustainability on the book value of the intangible assets; and
- d) preparing the financial statements on a going concern basis, having made reasonable enquiries and assessment on the resources of the Company on its ability to continue further business in foreseeable future.

SUSTAINABILITY STATEMENT

Overview and scope of sustainability at UCrest Berhad

Sustainability is one of the strategic pillars for UCrest Berhad. Our sustainability performance is considered fundamental to our business success and sustainability is in fact embedded in our day to day operations. Central to our approach is a strong emphasis on Health and Safety. It is a core value for our culture and provides the framework for the way employees are expected to behave. We are committed to enthrall and engage with communities within which we operate through regular dialogues, socioeconomic footprint studies and community activities. It is an opportunity for us to gain feedback on our operations and how we impact them. In order to focus our efforts and strengthen our benchmarks for economic, environmental and social sustainability (“EES”).

Our organisation’s sustainability strategy is determined by our Board of Directors, who provides an oversight of our corporate sustainability policies and performance. Senior Management oversees the implementation of the organisation’s sustainability approach and ensures that key targets are being met. The respective division’s management heads are responsible for identifying, evaluating, monitoring and managing economic, environmental and social risks and opportunities directly.

Board of Sustainability

The Board recognises the importance of building a sustainable business, therefore takes into consideration of the environmental, social and governance impact while developing corporate strategies.

The Board regularly reviews the strategic direction of the Company and the progress of the Company’s operations, taking into account changes in the business and political environment and risk factors such as level of competition.

The Board promotes good corporate governance in the application of sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance. Accordingly, the Company takes cognisance of the global environmental, social, governance and sustainability agenda.

The Company recognises the value of a diversified and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the Company into the future. The Company is committed to leveraging the diverse backgrounds in terms of gender, ethnicity and age, experiences and perspectives of our workforce, to provide good customer service to an equally diverse customer base. The Company’s commitment in recognising the importance of diversity extends to all areas of our business including recruitment, skills, enhancement, appointment to roles, retention of employees, succession planning and training and development.

Stakeholders Review & Engagement

Stakeholder Group	Engagement Methodology	Frequency of engagement
Customers	Customer feedback management	Regular
	Complaint management	Regular
	Market research & innovation	Regular
Vendors	Independent evaluation	Annually
	Vendor relationship management	Regular
Governance & Regulators	Formal meetings/visits	Ad-hoc
	Licensing, audits & inspections	Ad-hoc
Employees	Employee performance appraisal	Annually
	Dialogue and engagement	Weekly
	Employee engagement programmes	Regular

SUSTAINABILITY STATEMENT CONT'D

Material Sustainability & Relevant Action Plan

The following are the Company's identified material sustainability matters, identified via management reviews and assessments of the context and strategy with considerations to relevant stakeholders' requirements and expectations. These are critical internal and external risk and opportunities that are pertinent to our long-term growth and continual improvement.

Material sustainability issues	
Economics	Research & Development and commitment to innovation on related medical equipment's, mobile medical technology and technical know-how.
	Customer satisfaction and complaint management process for adherence and enhancement of products and service deliverables
	Sustainable value chain management with vendors, subcontractors, transporters, assessment, evaluation and improvements
Social responsibilities	Workforce diversity and human rights factor inculcation within human resources development and capital management
	Occupational Safety & Health Management policies and practices enforcement
Environmental stewardships	Product and Services Responsibility Compliance to local statutory and regulatory requirements

We periodically update the full list of sustainability matters and revise our prioritisation annually based on our corporate strategy and external developments.

The Group is realising key benefits from integrating sustainability in business by including:

- Enhancement of process risk management via risk-based thinking group wide.
- To strengthen our international market presence without compromising aspects of quality and sustainability, and to be responsive to the challenges and changing expectations of stakeholders within the healthcare industry.
- Promoting innovation and attracting new customers with improvement initiatives and marketing strategy.
- Maintaining a licence to operate for best practices, fulfilling stakeholders needs and compliance to obligations.
- Securing capital with periodic business context and stakeholders review of requirements an expectation on environment, social and governance matters.
- To provide a safe working environment that is conducive for the personal and professional growth of our employees and corporate culture that is built on good communication practices, transparency and integrity.
- To strengthen our commitment to manage our impact on the environment by prioritizing strict adherence to environmental regulations.

The Company has undertaken the following initiatives as an integral part of its business operations and practices by contributing to the welfare of its employees, stakeholders, the general public and the environment it operates in:-

SUSTAINABILITY STATEMENT CONT'D

1. CORPORATE SOCIAL RESPONSIBILITIES (“CSR”)

The Group remains committed to support the community as a responsible corporate citizen during the financial year under review. The Group's CSR initiatives are focused on enhancement of the workplace and environment conservation.

We acknowledge the importance of both financial and non-financial strategies in our continuous efforts to maintain long term and sustainable performance for the Group. While we focus on managing our business deliverables through improving financial profitability and shareholders' value, we are also mindful of our goals to provide a sustainable workplace for our human assets' career developments as they are critical components to our growth and to promote a sustainable environmentally responsible organisation.

2. WORKPLACE

Our people are our valuable assets. The Group provides its employees a quality work environment which complies with the health and safety standard as we understand a good environment would raise the efficiency and productivity of employees besides improving the quality of life of our employees.

We practice open door policy where employees have easy accessibility to their superiors. Two-way communications are encouraged to ensure share of ideas and/or work grievances to improve work processes and working environment. Periodical downward communication sessions from key management team with subordinates are also carried out as a way to impart the Company's fundamentals and directions while addressing issues of concern.

As the COVID-19 pandemic evolves, it is the Group's priority to safeguard the health and safety of the employees and the people involved in the operation on a continuing basis. The Group has implemented several measures to protect our employees from the spread of COVID-19:-

- Comply to the standard operating procedures (“SOPs”) outlined by Malaysia's Ministry of Health (“MOH”) and Ministry of International and Trade Industry (“MITI”);
- Check employee's daily temperature;
- Distribute face mask to all employees and setup hand sanitizer station at each main entrance, as well as carry out the disinfection activity frequently across all the workplace

In addition to the above, a work-from-home and in-office work schedule arrangement was implemented during the lockdown in order to protect the well-being of our employees and the viability of our business. Employee who work from home is provided with the equipment needed, including laptop with video conferencing facilities. Following the easing of the lockdown measures, employees and visitors to our office are required to strictly adhere to the prevailing SOPs as part of the efforts against the pandemic.

3. VENDOR

Sustainability in the supply chain from upstream to downstream is essential to maintain smooth business operations. Therefore, selection process of suppliers with the capacity to conduct business ethically, with professionalism and preparedness to adapt to changes that impact sustainability under the risk management plan is of paramount importance. We also value co-generation of opportunity with our suppliers, under an efficient assessment program. All these arrangements are in place to manage risk by making our resources secured from few suppliers, critical suppliers and suppliers who fail to comply with rules and regulations, or stakeholders' expectations. These risks can ultimately harm our reputation and disrupt our business.

The selection of suppliers is on the basis of commitment to comply to UCrest's business processes for sustainable business. Conduct assessment and certification of suppliers annually and continuously in order to mitigate risk in the supply chain.

SUSTAINABILITY STATEMENT CONT'D

4. ENVIRONMENT

The Group remains committed towards environmental conservation; continuing on recycle program as part of our efforts to reduce our environmental and carbon footprints and our commitment as an environmentally responsible organisation.

In line with commitment to reduce carbon footprints, employees are encouraged to fully maximise the benefits of electronic environment (eg. email, instant messaging and etc.) for communication and only print hard copy when necessary. Employees are also encouraged to print on both sides of paper to minimise paper usage. Energy efficient bulbs are used throughout and all computer peripherals and lighting are switched off when not in use.

5. HEALTH AND SAFETY

At UCrest, we believe in creating a strong safety culture. The Group reports on employee incidents and identifies trends and key risk areas, such as employee injuries, needle-stick injuries, employee falls, employee mobility incidents, occupational health-related incidents, infection-related incidents and exposure to bodily fluids. Our safety mechanism also entails the submission of health and safety recommendations about workplace conditions, the continual improvement of occupational health and safety standards by applying the lessons gained through experience and ongoing instruction and advice for staff and management.

6. TRAININGS

External trainings are provided to employees to enhance their skills and abilities which would offer excellent opportunities for career enhancement.

7. GROUP'S DIVERSITY

Diversity report on the breakdown of directors :-

Age group	Gender						Ethnicity							
	Male	%	Female	%	Total	%	Malays	%	Chinese	%	Other	%	Total	%
41-50	1	17	-	-	1	14	-	-	1	20	-	-	1	14
51-60	2	33	1	100	3	43	1	50	2	40	-	-	3	43
61-70	3	50	-	-	3	43	1	50	2	40	-	-	3	43
	6	100	1	100	7	100	2	100	5	100	-	-	7	100

Diversity report on the breakdown of employees :-

Age group	Gender						Ethnicity							
	Male	%	Female	%	Total	%	Malays	%	Chinese	%	Other	%	Total	%
21-30	-	-	1	25	1	10	-	-	1	50	-	-	1	10
31-40	3	50	2	50	5	50	-	-	1	50	4	80	5	50
41-50	2	33	1	25	3	30	2	67	-	-	1	20	3	30
51-60	1	17	-	-	1	10	1	33	-	-	-	-	1	10
	6	100	4	100	10	100	3	100	2	100	5	100	10	100

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

The Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year ended 31 May 2021. This Statement on Risk Management and Internal Control is issued in line with the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad on the status of the Group's compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code of Corporate Governance ("Code").

The Board is committed to maintaining a sound system of internal control of the Company and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Company during the year.

2. Board Responsibilities

The Board of Directors recognises the importance of sound internal controls and risk management in safeguarding the assets of the Group. However, such systems are designed to manage rather than eliminate the business risk totally. It should be noted that any system could provide only reasonable and not absolute assurance against material misstatement or fraud.

The Group has in place an on-going process to identify, evaluate, monitor and manage any significant risks through the internal controls set out in order to attain a reasonable assurance that business objectives have been met. These controls are regularly reviewed by the Board and are subject to continuous improvement.

3. Risk Management Framework

The Board has established and developed an Enterprise Risk Management ("ERM") framework to achieve the following objectives:

- communicate and disseminate across the organisation the vision, role and direction of the Group;
- identify, assess, evaluate and manage the various principal risks which affect the Group's business;
- create a risk-awareness culture and risk ownership for more effective management of risks; and
- formulate a systematic process of review, tracking and reporting on keys risks identified and corresponding mitigation procedures.

A risk analysis of the Group is conducted on a regular basis including constantly reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of the risk on the operation and business. The process requires management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Significant risks identified are subsequently brought to the attention of the Board at the scheduled board meetings. This serves as the on-going process of identifying; assessing and managing risks faced by the Group and has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual Report.

The Group's risk management continues to be driven by the Managing Director and assisted by management. The Managing Director and management are responsible for identifying, evaluating and monitoring of risks and taking appropriate and timely actions to manage risk. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advices to the management team when necessary. In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, the Audit Committee is instituted by the Board to undertake this role.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

In conducting its review, the process is regularly reviewed by the Board via the Audit Committee ("AC") at the quarterly Board meeting with the assistance of the outsourced independent consulting firm Vaersa Advisory Sdn. Bhd. to further review and improves the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the business changes and competitive environment.

Management further supplements the Audit Committee review on control and risk assessment when presenting the quarterly financial performance and results to the Audit Committee and the Board including pertinent explanations on the performance of the Group. With management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with management representations on operations and the performance of its subsidiaries as well as deliberates the annual report and audited financial statements before recommending these documents to the Board for approval.

4. Internal Control Framework

The other key elements of the Group's internal control systems are described below:

- Monthly monitoring of operational results against the budget for the Board's review and discussion;
- Regular and comprehensive information provided to the Board, covering financial performance and key business indicators;
- Regular updates of internal policies and procedures, to reflect changing risks or resolve operational efficiencies; and
- Regular management meeting with all key personnel of respective department to address weaknesses and improve efficiency.

The Board is of the view that there is no significant breakdown or weaknesses in the system of internal control of the Group that may have material impact against the operations of the Group for the financial year ended 31 May 2021.

5. Management Responsibilities and Assurance

In accordance to the Bursa Securities' Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

In producing this Statement, the Board has received assurance from the Managing Director that, to the best of his knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

6. Board Assurance and Limitation

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is on-going. For the financial year under review, there was no material loss resulted from significant control weaknesses. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

The Board wishes to reiterate that risk management and systems of internal control would be continuously improved in line with the evolving business development, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group could only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

7. Review of the Statement by the External Auditors

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 May 2021. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (“AAPG”) 3 included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

8. Conclusion

The Board recognises the necessity to monitor closely the adequacy and effectiveness of the Group’s system of internal controls and risk management, taking into consideration the fast-changing business environment. Although the Board is of the view that the present risk management and internal control is adequately in place to safeguard the Company’s assets and sufficient to detect any fraud or irregularities, the Board is on a constant watch for any improvement that may strengthen its current system from time to time.

This Statement is issued in accordance with a resolution of the Directors dated 20 September 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. Material Contracts

Neither the Company nor its subsidiary have entered into any contract which are or may be material (not being contracts entered into in the ordinary course of business) involving Directors' and Major Shareholders' interests since the end of the previous financial year.

2. Recurrent Related Party Transactions ("RRPT")

The breakdown of aggregate value of transactions during the financial year are as follows:-

Transacting Party within UCrest Group	Related Party	Nature of Recurrent Transactions	Interested Related Parties	Actual Value Transacted during the financial year (RM)
UCrest Group (recipient of services)	Rajah, Lau & Associates (provider of services)	Provision of legal related services	<i>Interested Director and Major Shareholder</i> Eg Kaa Chee Eg Kah Yee	23,574
UCrest Group (provider of products and services)	UCH (recipient of products and services)	IP Licensing, sales of Software License and Hardware including installation, troubleshooting and outsourcing.	<i>Interested Director and Major Shareholder</i> Eg Kaa Chee Eg Kah Yee <i>Person Connected</i> See Lee Ming Jonathan Chuan Jack Eg	14,671,748

3. Utilisation of Proceeds raised from Corporate Proposal

Proposed Private Placement of up to 20.00% of the total number of issued shares approved by the shareholders at the Extraordinary General Meeting held on 22 January 2018

The Company had at the Extraordinary General Meeting held on 22 January 2018 obtained the shareholders' approval for private placement exercise to issue up to 106,901,642 new ordinary shares in the Company representing not more than twenty percent (20%) of the issued share capital of the Company.

As at the date of this report, 94,304,575 new Ordinary Shares were issued pursuant to the Private Placement and were subsequently listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad. The details of the utilisation of proceeds from the Private Placement were as follows:-

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be utilised (RM'000)
Payment for cost of sales	11,328	11,328	0
Payment of salaries	1,285	910	375
Payment of office rentals	161	125	36

ADDITIONAL COMPLIANCE INFORMATION CONT'D

Authority for the Directors to Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Company had at the Twenty-Third Annual General Meeting of the Company held on 17 November 2020 obtained the shareholders' approval for a General Mandate to issue up to 20% of the issued share capital of the Company.

During the year, 42,700,000 new Ordinary Shares were issued respectively pursuant to the Private Placement and were subsequently listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad. The details of the utilisation of proceeds from the Private Placement were as follows:-

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be utilised (RM'000)
Working Capital	20,748	7,898	12,850
Expenses for the Proposed Private Placement	184	90	94

4. Employee Share Option Scheme ("ESOS")

The Company had at the Extraordinary General Meeting held on 22 January 2018 obtained shareholders' approval for the establishment and administration of an Employee Share Option Scheme ("ESOS") with authority to allot and issue such number of new ordinary shares of up to 15% of the total number of issued shares of the Company (excluding treasury shares), if any, at any one time during the duration of the ESOS to the Eligible Persons from time to time pursuant the ESOS By-Laws. The ESOS is for a duration of five (5) years commencing from the date of implementation on 26 April 2018 to 25 April 2023, unless extended further.

Total number of options granted to the eligible Directors and employees of the Group and the outstanding options as at 31 May 2021 are set out in the table below:-

Description	Directors	Senior Management/ Director of Subsidiary	Other eligible employees	Total
Outstanding options unexercised as at 1 June 2020	21,860,000	–	1,360,000	23,220,000
Options granted during the FYE 2021	–	300,000	67,432,000	67,732,000
Options lapsed during the FYE 2021	–	–	280,000	280,000
Options exercised during the FYE 2021	15,460,000	300,000	5,080,000	20,840,000
Outstanding options unexercised as at 31 May 2021	6,400,000	–	63,432,000	69,832,000

In accordance with the Company's ESOS By-Law, not more than 50% of the total number of UCrest Shares comprised under the ESOS Scheme to be issued pursuant to the Proposed ESOS would be allocated (in aggregate) to the Directors and senior management of the Group. Since the commencement of the ESOS up to the FYE 2021, the Company has granted 24.36% of the options to the Directors and Senior Management.

ADDITIONAL COMPLIANCE INFORMATION CONT'D

As at FYE 2021, ESOS allocations to the Directors are as follows:-

Name of Directors	Number of options unexercised as 1 June 2020	During FYE 2021		Number of options unexercised as 31 May 2021
		Number of options granted	Number of options exercised	
Chairman / Managing Director				
Eg Kah Yee	6,960,000	-	6,960,000	-
Independent Non-Executive Director				
Thong Kooi Pin	6,900,000	-	2,500,000	4,400,000
Abdul Razak Bin Dato' Hj Ipap	2,000,000	-	2,000,000	-
Chuan Tsui Ju	2,000,000	-	2,000,000	-
Prof Low Teck Seng	2,000,000	-	-	2,000,000
Non-Independent Non-Executive Director				
Eg Kaa Chee	2,000,000	-	2,000,000	-
Total	21,860,000	-	15,460,000	6,400,000

As at the date of this report, the unexercised options pursuant to the Company's ESOS granted and accepted by eligible Directors and employees are 69,832,000 options.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2021.

Principal Activities

The principal activities of the Company are that of investment holding and design, development and marketing of information technology related products and services. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

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

Financial Results

	Group RM	Company RM
Profit/(Loss) for the financial year	<u>11,568,110</u>	<u>(8,174,710)</u>
Attributable to: Owners of the Company	<u>11,568,110</u>	<u>(8,174,710)</u>

Reserves and Provisions

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

Dividends

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

DIRECTORS' REPORT CONT'D

Issue of Shares and Debentures

During the financial year, the ordinary share capital of the Company was increased from 464,032,875 units to 621,877,450 units by way of issuance of new ordinary shares pursuant to the following:

- (a) Private placement of 25,000,000 new ordinary shares of RM0.1223 each;
- (b) Private placement of 10,600,000 new ordinary shares of RM0.1297 each;
- (c) Private placement of 58,704,575 new ordinary shares of RM0.1421 each;
- (d) Private placement of 40,700,000 new ordinary shares of RM0.1855 each;
- (e) Private placement of 2,000,000 new ordinary shares of RM0.2190 each;
- (f) 16,540,000 options exercised under Employment Share Option Scheme (“ESOS”) at an exercise price of RM0.0868 each;
- (g) 4,200,000 options exercised under ESOS at an exercise price of RM0.1184 each; and
- (h) 100,000 options exercised under ESOS at an exercise price of RM0.2164 each.

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

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT CONT'D

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to Employee Share Option Scheme (“ESOS”).

Employee Share Option Scheme (“ESOS”)

The Company has established an ESOS of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders as an Extraordinary General Meeting held on 22 January 2018.

The ESOS became effective for a period of three (3) years from 29 April 2020 to 28 April 2023.

The salient features and terms of the ESOS, details of share options exercised or lapsed during the financial year and outstanding at the end of the financial year are disclosed in Note 13 to the financial statements.

The movements of options offered to take up unissued ordinary shares during the financial year are as follows:

	Number of options over ordinary shares					
	Exercise price (RM)	At 01.06.2020	Granted	Exercised	Lapsed	At 31.05.2021
Grant date						
29.04.2020	0.0868	23,220,000	-	(16,540,000)	(280,000)	6,400,000
07.10.2020	0.1184	-	51,232,000	(4,200,000)	-	47,032,000
01.12.2020	0.1374	-	1,500,000	-	-	1,500,000
19.03.2021	0.1806	-	9,000,000	-	-	9,000,000
06.04.2021	0.2164	-	6,000,000	(100,000)	-	5,900,000
		<u>23,220,000</u>	<u>67,732,000</u>	<u>(20,840,000)</u>	<u>(280,000)</u>	<u>69,832,000</u>

Directors

The Directors of the Company in office during the financial year until the date of this report are:

Eg Kah Yee

Eg Kaa Chee

Abdul Razak Bin Dato' Haji Ipap

Thong Kooi Pin

Chuan Tsui Ju

Dato' Dr. Mohd Fikri Bin Abdullah

Prof. Low Teck Seng

(Resigned and appointed on 25 September 2020)

DIRECTORS' REPORT CONT'D

Directors' Interests

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

	Number of ordinary shares			At 31.05.2021
	At 01.06.2020	Bought	Disposal	
Shareholdings in the name of directors				
Direct interests:				
Eg Kah Yee	82,311,427	6,960,000	-	89,271,427
Eg Kaa Chee	2	2,000,000	-	2,000,002
Thong Kooi Pin	250	2,500,000	-	2,500,250
Chuan Tsui Ju	750	2,000,000	(500,000)	1,500,750
Abdul Razak Bin Dato' Haji Ipap	-	2,000,000	-	2,000,000
Indirect interests:				
Eg Kah Yee [^]	2	2,000,000	-	2,000,002
Eg Kaa Chee*	82,311,427	6,960,000	-	89,271,427

	Number of ordinary shares			At 31.05.2021
	At 01.06.2020	Granted	Exercised	
Share options in the name of directors				
Eg Kah Yee	6,960,000	-	(6,960,000)	-
Thong Kooi Pin	6,900,000	-	(2,500,000)	4,400,000
Abdul Razak Bin Dato' Haji Ipap	2,000,000	-	(2,000,000)	-
Eg Kaa Chee	2,000,000	-	(2,000,000)	-
Chuan Tsui Ju	2,000,000	-	(2,000,000)	-
Prof. Low Teck Seng	2,000,000	-	-	2,000,000

[^]Deemed interest by virtue of his brother, Mr. Eg Kaa Chee's shareholding.

Deemed interest by virtue of his brother, Mr. Eg Kah Yee's shareholding.

Other than disclosed above, none of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company or of its related corporations during the financial year.

DIRECTORS' REPORT CONT'D

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT CONT'D

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT CONT'D

Subsidiary Companies

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

Significant Events

The significant events are disclosed in Note 31 to the financial statements.

Subsequent Events

The subsequent event is disclosed in Note 32 to the financial statements.

DIRECTORS'
REPORT
CONT'D

Auditors

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

The details of auditors' remuneration are set out in Note 22 to the financial statements.

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

EG KAH YEE

Singapore

EG KAA CHEE

Kuala Lumpur

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2021 and of their financial performance and cash flows for the financial year then ended.

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

EG KAH YEE

Singapore

EG KAA CHEE

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, EG KAH YEE, being the director primarily responsible for the financial management of UCrest Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements is 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 Singapore on 20 September)
2021.

EG KAH YEE

Before me,

N2020/0604
WU YU LIANG
NOTARY PUBLIC
SINGAPORE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UCREST BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UCREST BERHAD, which comprise the statements of financial position as at 31 May 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 141.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS'
REPORT
TO THE MEMBERS OF UCREST BERHAD
CONT'D

Key Audit Matters

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

Key Audit Matters	How we addressed the key audit matters
<p>1. Assessment on impairment on intangible assets</p> <p>As at 31 May 2021, the Group's and the Company's carrying amount of intangible assets are RM21,026,906 and RM13,126,477, which represented 32% and 33% of the Group's and of the Company's total assets.</p> <p>The Group estimated the recoverable amounts of the carrying value of intangible assets based on the value in-use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash flows projection and discounting them at an appropriate discount rate. Such estimations are highly subjective and accordingly we consider this to be an area of audit focus.</p>	<p>We have discussed and obtained management's impairment calculations to assess the appropriateness and reasonableness of the assumptions used in the VIU calculation for determining recoverable amounts.</p> <p>We have tested the accuracy of the underlying model by verifying the input/output data used by management.</p> <p>We have challenged the key assumptions employed in the calculation included the discount rate employed and its methodology and constituent inputs.</p> <p>We have assessed the adequacy and appropriateness of the related disclosure in the financial statements.</p>

INDEPENDENT AUDITORS'
REPORT
TO THE MEMBERS OF UCREST BERHAD
CONT'D

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>2. Impairment of trade receivables</p> <p>As at 31 May 2021, the Group's and the Company's trade receivables prior to allowance for impairment losses were RM34,930,375 and RM611,668 of which RM9,213,920 and RM239,981 have been provided for as allowance for impairment losses respectively.</p> <p>The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.</p>	<p>We have evaluated the Group's policy on its credit risk's management through discussion with management.</p> <p>We have assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss.</p> <p>We have assessed the reasonableness of the Group's expected credit loss (ECL) model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group.</p> <p>We have evaluated subsequent year end receipts and recoverability of outstanding trade receivables.</p>

**INDEPENDENT AUDITORS'
REPORT
TO THE MEMBERS OF UCREST BERHAD
CONT'D**

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UCREST BERHAD CONT'D

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS'
REPORT
TO THE MEMBERS OF UCREST BERHAD
CONT'D

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 skepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS'
REPORT
TO THE MEMBERS OF UCREST BERHAD
CONT'D

Other Matters

- (i) The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 22 September 2020, expressed an unmodified opinion.
- (ii) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY

Firm Number: AF 1411

Chartered Accountants

LIM YANG YUE

Approved Number: 03544/12/2022 (J)

Chartered Accountant

KUALA LUMPUR

20 September 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MAY 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	296,694	578,644	296,174	578,124
Right-of-use assets	5	171,625	330,049	171,625	330,049
Intangible assets	6	21,026,906	24,679,675	13,126,477	15,754,628
Investment in subsidiary companies	7	-	-	7	7
		<u>21,495,225</u>	<u>25,588,368</u>	<u>13,594,283</u>	<u>16,662,808</u>
Current Assets					
Trade receivables	8	25,716,455	14,297,576	371,687	2,542,643
Other receivables	9	71,364	509,054	71,064	94,552
Amount due from subsidiary companies	10	-	-	8,272,287	32,310
Tax recoverable		441,008	207,025	144,000	64,015
Deposits with licensed financial institutions	11	11,047,641	46,918	11,047,641	46,918
Cash and bank balances	11	7,598,038	1,491,980	6,742,474	708,040
		<u>44,874,506</u>	<u>16,552,553</u>	<u>26,649,153</u>	<u>3,488,478</u>
Total Assets		<u>66,369,731</u>	<u>42,140,921</u>	<u>40,243,436</u>	<u>20,151,286</u>

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

STATEMENTS OF
FINANCIAL POSITION
AS AT 31 MAY 2021
CONT'D

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	12	45,912,396	21,761,860	45,912,396	21,761,860
Reserves	13	13,727,629	(2,891,845)	(15,668,015)	(12,644,201)
Total Equity		<u>59,640,025</u>	<u>18,870,015</u>	<u>30,244,381</u>	<u>9,117,659</u>
LIABILITIES					
Non-Current Liabilities					
Deferred tax liabilities	14	-	-	-	-
Trade payables	15	98,187	240,247	98,187	240,247
Lease liabilities	16	13,844	177,468	13,844	177,468
		<u>112,031</u>	<u>417,715</u>	<u>112,031</u>	<u>417,715</u>
Current Liabilities					
Trade payables	15	6,237,981	16,195,689	1,293,455	3,468,522
Other payables	17	216,072	6,497,986	159,375	2,707,106
Amount due to subsidiary companies	10	-	-	8,270,572	4,281,476
Lease liabilities	16	163,622	158,808	163,622	158,808
Bank overdraft		-	708	-	-
		<u>6,617,675</u>	<u>22,853,191</u>	<u>9,887,024</u>	<u>10,615,912</u>
Total Liabilities		<u>6,729,706</u>	<u>23,270,906</u>	<u>9,999,055</u>	<u>11,033,627</u>
Total Equity and Liabilities		<u>66,369,731</u>	<u>42,140,921</u>	<u>40,243,436</u>	<u>20,151,286</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	18	25,457,176	12,276,467	1,918,724	188,200
Cost of sales	19	<u>(9,981,683)</u>	<u>(8,229,489)</u>	<u>(15,899)</u>	<u>(710)</u>
Gross profit		15,475,493	4,046,978	1,902,825	187,490
Other income	20	2,653,378	508,405	465,185	143,759
Net gain/(loss) on impairment on financial instruments		7,716,770	(15,327,603)	2,093,305	(1,883,578)
Distribution expenses		(6,005)	(90,947)	(6,005)	(90,823)
Administrative expenses		(7,467,987)	(7,277,415)	(5,948,589)	(5,876,296)
Operating expenses		(6,584,750)	(4,755,526)	(6,584,750)	(4,755,526)
Finance costs	21	<u>(98,644)</u>	<u>(93,977)</u>	<u>(96,681)</u>	<u>(93,113)</u>
Profit/(Loss) before tax	22	11,688,255	(22,990,085)	(8,174,710)	(12,368,087)
Tax (expense)/credit	24	<u>(120,145)</u>	<u>2,239,421</u>	<u>-</u>	<u>1,433,915</u>
Profit/(Loss) for the financial year		<u>11,568,110</u>	<u>(20,750,664)</u>	<u>(8,174,710)</u>	<u>(10,934,172)</u>
Other comprehensive income					
Exchange translation differences for foreign operations		<u>(99,532)</u>	<u>(34,881)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the financial year		<u>11,468,578</u>	<u>(20,785,545)</u>	<u>(8,174,710)</u>	<u>(10,934,172)</u>

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

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021
CONT'D**

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) attributable to:					
Owners of the Company		<u>11,568,110</u>	<u>(20,750,664)</u>	<u>(8,174,710)</u>	<u>(10,934,172)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		<u>11,468,578</u>	<u>(20,785,545)</u>	<u>(8,174,710)</u>	<u>(10,934,172)</u>
Basic earnings/(losses) per share (sen)	25	<u>2.18</u>	<u>(4.47)</u>		
Diluted earnings/ (losses) per share (sen)	25	<u>2.13</u>	<u>(4.38)</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

Attributable to Owners of the Company					
Non-distributable			Distributable		
Share Capital RM	Employee Share Option Scheme ("ESOS") Reserves RM	Foreign Currency Translation Reserve RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM	
21,761,860	1,476,792	88,389	(4,457,026)	18,870,015	
-	-	-	11,568,110	11,568,110	
-	-	(99,532)	-	(99,532)	
-	-	(99,532)	11,568,110	11,468,578	
20,762,090	-	-	-	20,762,090	
3,388,446	(1,433,854)	-	-	1,954,592	
-	6,584,750	-	-	6,584,750	
-	(17,808)	-	17,808	-	
24,150,536	5,133,088	-	17,808	29,301,432	
45,912,396	6,609,880	(11,143)	7,128,892	59,640,025	

Group 2021

At 1 June 2020

Profit for the financial year

Other comprehensive expense

Total comprehensive expense for the financial year

Transactions with owners:

Issue of shares pursuant to private placements

Issue of shares pursuant to exercise of ESOS

Share options granted under ESOS

Lapsed share options

At 31 May 2021

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

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021
CONT'D

	Attributable to Owners of the Company				Total Equity RM
	Non-distributable		Distributable		
	Share Capital RM	Employee Share Option Scheme ("ESOS") Reserves RM	Foreign Currency Translation Reserve RM	Retained Earnings/ (Accumulated Losses) RM	
Group 2020					
At 1 June 2019, as previously restated	21,761,860	-	123,270	16,749,638	38,634,768
Prior year adjustment	-	-	-	(456,000)	(456,000)
At 1 June 2019, as restated	21,761,860	-	123,270	16,293,638	38,178,768
Loss for the financial year	-	-	-	(20,750,664)	(20,750,664)
Other comprehensive expense	-	-	(34,881)	-	(34,881)
Total comprehensive expense for the financial year	-	-	(34,881)	(20,750,664)	(20,785,545)
Transactions with owners:					
Share options granted under ESOS	-	1,476,792	-	-	1,476,792
At 31 May 2020	21,761,860	1,476,792	88,389	(4,457,026)	18,870,015

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

**STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021
CONT'D**

	Attributable to owners of the Company				Total Equity RM
	Non-distributable	Employee Share Option Scheme ("ESOS") Reserves RM	Distributable	Accumulated Losses RM	
Share Capital RM					
At 1 June 2020	21,761,860	1,476,792	(14,120,993)	(8,174,710)	9,117,659
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(8,174,710)	(8,174,710)
Transactions with owners:					
Issue of shares pursuant to private placements	20,762,090	-	-	-	20,762,090
Issue of shares pursuant to exercise of ESOS	3,388,446	(1,433,854)	-	-	1,954,592
Share options granted under ESOS	-	6,584,750	-	-	6,584,750
Lapsed share options	-	(17,808)	-	17,808	-
	24,150,536	5,133,088	17,808	17,808	29,301,432
At 31 May 2021	45,912,396	6,609,880	(22,277,895)	(22,277,895)	30,244,381

Company
2021

At 1 June 2020

Loss for the financial year, representing total comprehensive loss for the financial year

Transactions with owners:

Issue of shares pursuant to private placements
Issue of shares pursuant to exercise of ESOS
Share options granted under ESOS
Lapsed share options

At 31 May 2021

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

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021
CONT'D

	Attributable to owners of the Company				Total Equity RM
	Non-distributable	Employee Share Option Scheme ("ESOS") Reserves RM	Accumulated Losses RM	Distributable	
Share Capital RM					
Company 2020					
At 1 June 2019 as previously stated	21,761,860	-	(2,730,821)		19,031,039
Prior year adjustment	-	-	(456,000)		(456,000)
At 1 June 2019, as restated	21,761,860	-	(3,186,821)		18,575,039
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(10,934,172)		(10,934,172)
Transactions with owners:					
Share options granted under ESOS	-	1,476,792	-		1,476,792
At 31 May 2020	21,761,860	1,476,792	(14,120,993)		9,117,659

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash Flows Used In Operating Activities				
Profit/(Loss) before tax	11,688,255	(22,990,085)	(8,174,710)	(12,368,087)
Adjustments for:				
Amortisation of intangible assets	3,652,769	3,748,481	2,628,151	2,703,192
Depreciation of:				
- Property, plant and equipment	289,416	287,145	289,416	287,145
- Right-of-use assets	158,424	145,222	158,424	145,222
Finance cost on:				
- Lease liabilities	7,444	10,660	7,444	10,660
- Bank overdraft	3,984	7,635	2,021	6,771
- Accretion of discount on trade payables	87,216	75,682	87,216	75,682
Interest income	(51,034)	(25,644)	(50,891)	(20,214)
Rent concession	(16,057)	-	(16,057)	-
Impairment losses recognised on:				
- Trade receivables	1,339,831	15,327,603	-	1,883,578
- Intangible assets	-	3,278,734	-	3,278,734
Reversal of impairment loss on:				
- Trade receivables	(9,056,601)	-	(2,093,305)	-
Unrealised gain on foreign exchange	(378,296)	(467,531)	(378,296)	(108,315)
Unrealised loss on foreign exchange	303,310	423,205	-	192,323
ESOS expenses	6,584,750	1,476,792	6,584,750	1,476,792
Operating profit/(loss) before working capital changes	14,613,411	1,297,899	(955,837)	(2,436,517)
Changes in working capital:				
Trade receivables	(3,560,094)	(10,978,595)	4,185,571	1,482,075
Other receivables	368,730	1,080,643	(2,644)	-
Trade payables	(9,959,156)	7,895,174	(2,283,181)	(2,531)
Other payables	(5,504,792)	(373,447)	(1,841,243)	-
Cash used in operating activities	(4,041,901)	(1,078,326)	(897,334)	(956,973)
Income tax paid	(354,128)	(170,000)	(79,985)	-
Interest received	51,034	25,644	50,891	20,214
Net cash used in operating activities	(4,344,995)	(1,222,682)	(926,428)	(936,759)

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

**STATEMENTS OF
CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021
CONT'D**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash Flows Used in Investing Activities				
Purchase of property, plant and equipment, representing net cash used in investing activities	<u>(7,466)</u>	<u>(33,120)</u>	<u>(7,466)</u>	<u>(33,120)</u>
Cash Flows from Financing Activities				
Proceeds from issuance of ordinary shares				
- Private placement	20,762,090	-	20,762,090	-
- Pursuant to exercise of ESOS	1,954,592	-	1,954,592	-
Repayment to a director	(604,128)	-	(604,128)	-
Repayment to subsidiary companies	-	-	(4,250,881)	(141,998)
Interest paid	(3,984)	(7,635)	(2,021)	(6,771)
Repayment of lease liabilities	<u>(150,197)</u>	<u>(149,655)</u>	<u>(150,197)</u>	<u>(149,655)</u>
Net cash generated from/(used in) financing activities	<u>21,958,373</u>	<u>(157,290)</u>	<u>17,709,455</u>	<u>(298,424)</u>
Net increase/(decrease) in cash and cash equivalents	17,605,912	(1,413,092)	16,775,561	(1,268,303)
Cash and cash equivalents as at beginning of the financial year	1,538,190	2,920,400	754,958	2,018,682
Effect of exchange rate changes on cash and cash equivalents	<u>(498,423)</u>	<u>30,882</u>	<u>259,596</u>	<u>4,579</u>
Cash and cash equivalents as at the end of the financial year	<u>18,645,679</u>	<u>1,538,190</u>	<u>17,790,115</u>	<u>754,958</u>
Cash and cash equivalents comprise of:				
Cash and bank balances	7,598,038	1,491,980	6,742,474	708,040
Deposits with licensed financial institutions	11,047,641	46,918	11,047,641	46,918
Bank overdraft	-	(708)	-	-
	<u>18,645,679</u>	<u>1,538,190</u>	<u>17,790,115</u>	<u>754,958</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 MAY 2021

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 principal place of business of the Company was located at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activities of the Company are that of an investment holding and design, development and marketing of information technology related products and services. The principal activities of the subsidiary companies are disclosed in Note 7.

There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

Annual Improvements to MFRSs 2015 - 2017 Cycle:

- Amendments to References to the Conceptual Framework in MFRS Standards

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

Amendment to MFRS 16 Leases

The Group has on 1 June 2020, adopted amendments to MFRS 16 COVID-19-Related Rent Concessions.

The amendments provide lessee option elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying MFRS 16 if the change were not a lease modification.

The practical expedient would apply only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and the Company, except for: (Cont'd)

Amendments to MFRS 16 COVID-19 - Related Rent Concessions (Cont'd)

The amount recognised in profit or loss to reflect changes in lease payments that arise from rent concessions to which the Group and Company have applied the practical expedient are amounted to RM16,057 respectively.

Standards issued but not yet effective

The Group and the Company has not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9, MFRS 7, MFRS 4, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	30 June 2021
Amendments to MFRS 3	Reference of the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs Amendments to MFRS 1 Amendments to MFRS 9 Amendments to MFRS 16 Amendments to MFRS 141	Standards 2018 - 2020:	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

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

The Group and the Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

The Group and the Company include the renewal period as part of the lease term for such leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. The Group typically exercises its option to renew for those leases with renewal option.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Useful lives/amortisation of property, plant and equipment and right-of-use (“ROU”) assets

The Group and the Company regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Note 4 and 5 respectively.

Development costs

The Group and the Company capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management’s judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for software development expenditure is disclosed in Note 6.

Impairment of intangible assets

The Group and the Company assess whether there is any indication that intangible assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of the intangible asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment. The key assumptions used to determine the recoverable amounts is disclosed in Note 6.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profits will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 14.

Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group and the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Impairment of receivables

The Group and the Company review the recoverability of its receivables, including trade and other receivables and amounts due from subsidiary at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The carrying amounts at the reporting date for trade receivables, other receivables and amount due from subsidiary companies are disclosed in Notes 8, 9 and 10 respectively.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

2. **Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Employee share options

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payments scheme are disclosed in Note 13.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 May 2021, the Group has tax recoverable of RM441,008 (2020: RM207,025) and the Company has tax recoverable of RM144,000 (2020: RM64,015).

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. Significant Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(k)(i) on impairment of non-financial assets.

(ii) Change in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(b) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(b) Foreign currency translation (Cont'd)

(ii) Foreign operations (Cont'd)

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (“FCTR”) in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed such that control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group 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 of property, plant and equipment is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Capital work-in-progress is not depreciated until it ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture and fittings	20%
Computer equipment and software	20%
Office equipment	20%
Renovation	20%
Electrical equipment	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(d) Leases

As Lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(1)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Building	3 years
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The ROU asset is subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(d) Leases (Cont'd)

As Lessee (Cont'd)

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

3. **Significant Accounting Policies (Cont'd)**

(e) Intangible assets

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

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

- (i) its ability to measure reliably the expenditure attributable to the assets under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its ability to use or sell the developed assets; and
- (v) the availability of adequate technical, financial and other resources to complete the assets under development.

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

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

Computer software and license acquired separately are measured on initial recognition at cost. Following initial recognition, computer software and license are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software and license are amortised on a straight-line basis over its estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for a computer software and license are reviewed at each reporting date.

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

Software	8 to 15 years
Development costs	20 years
Intellectual property rights	20 years

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3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets at initial recognition and the categories include trade and other receivables, deposits with licensed financial institution, amount due from subsidiary companies and cash and bank balances.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

(a) Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

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

(a) Debt instruments (Cont'd)

The debt security is not designated as at fair value through profit or loss. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(b) Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserves in equity. For debt instruments, when the investment is derecognized or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

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3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

(iii) Financial assets at fair value through profit or loss (“FVTPL”)

All financial assets not classified as measured at amortised cost or FVTOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(k)(ii) on impairment of financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

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

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FINANCIAL STATEMENTS
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3. **Significant Accounting Policies (Cont'd)**

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group or the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities at amortised cost

After initial recognition, financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit or loss when the liabilities are derecognised and through the amortisation process.

The Group's and Company's financial liabilities designated at amortised cost comprise trade and other payables, amount due to subsidiary companies and lease liabilities.

(ii) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Offsetting of financial instruments

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

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FINANCIAL STATEMENTS
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3. Significant Accounting Policies (Cont'd)

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. 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.

(k) Impairment of assets

(i) Non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

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FINANCIAL STATEMENTS
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3. **Significant Accounting Policies (Cont'd)**

(k) Impairment of assets (Cont'd)

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

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group recognises an allowance for expected credit loss ("ECL") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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3. **Significant Accounting Policies (Cont'd)**

(l) Share capital

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(m) Employee benefits

(i) Short-term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payments

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
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3. Significant Accounting Policies (Cont'd)

(m) Employee benefits (Cont'd)

(iii) Share-based payments (Cont'd)

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original terms, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(n) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised in the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) Sales of goods

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

NOTES TO THE
FINANCIAL STATEMENTS
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3. **Significant Accounting Policies (Cont'd)**

(n) Revenue and other income recognition (Cont'd)

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

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(b) Rendering of services

Revenue from services is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group and the Company, and the Group and the Company have a present right to payment for the services.

(c) Contract income

Revenue from contract income is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expects to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

(d) Interest income

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

(o) Government grant

Government grants are not recognised until there is reasonable assurance that the Group and the Company will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group and the Company recognise as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group and the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

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FINANCIAL STATEMENTS
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3. Significant Accounting Policies (Cont'd)

(o) Government grant (Cont'd)

Where the Group and the Company receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

NOTES TO THE
FINANCIAL STATEMENTS
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3. Significant Accounting Policies (Cont'd)

(q) Income taxes (Cont'd)

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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3. **Significant Accounting Policies (Cont'd)**

(s) Contingencies

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

(t) Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances, deposits with licensed banks and other short-term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value against which bank overdrafts, if any, are deducted.

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4. **Property, Plant and Equipment**

Group	Furniture and fittings and fittings RM	Computer equipment and software RM	Office equipment RM	Renovation RM	Electrical equipment RM	Total RM
Cost						
At 1 June 2020	106,387	3,050,836	211,100	781,214	736,145	4,885,682
Additions	-	7,466	-	-	-	7,466
At 31 May 2021	106,387	3,058,302	211,100	781,214	736,145	4,893,148
Accumulated depreciation						
At 1 June 2020	105,186	2,499,118	211,053	755,544	736,137	4,307,038
Charge for the financial year	1,166	262,607	-	25,643	-	289,416
At 31 May 2021	106,352	2,761,725	211,053	781,187	736,137	4,596,454
Carrying Amount						
At 31 May 2021	35	296,577	47	27	8	296,694

NOTES TO THE
FINANCIAL STATEMENTS
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4. Property, Plant and Equipment (Cont'd)

Group	Furniture and fittings RM	Computer equipment and software RM	Office equipment RM	Renovation RM	Electrical equipment RM	Total RM
Cost						
At 1 June 2019	106,387	3,017,716	211,100	781,214	736,145	4,852,562
Additions	-	33,120	-	-	-	33,120
At 31 May 2020	106,387	3,050,836	211,100	781,214	736,145	4,885,682
Accumulated depreciation						
At 1 June 2019	104,020	2,238,782	211,053	729,901	736,137	4,019,893
Charge for the financial year	1,166	260,336	-	25,643	-	287,145
At 31 May 2020	105,186	2,499,118	211,053	755,544	736,137	4,307,038
Carrying Amount						
At 31 May 2020	1,201	551,718	47	25,670	8	578,644

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4. **Property, Plant and Equipment (Cont'd)**

Company	Furniture and fittings RM	Computer equipment and software RM	Office equipment RM	Renovation RM	Electrical equipment RM	Total RM
Cost						
At 1 June 2020	103,487	2,267,935	189,014	708,925	736,145	4,005,506
Additions	-	7,466	-	-	-	7,466
At 31 May 2021	103,487	2,275,401	189,014	708,925	736,145	4,012,972
Accumulated depreciation						
At 1 June 2020	102,292	1,716,707	188,982	683,264	736,137	3,427,382
Charge for the financial year	1,166	262,607	-	25,643	-	289,416
At 31 May 2021	103,458	1,979,314	188,982	708,907	736,137	3,716,798
Carrying Amount						
At 31 May 2021	29	296,087	32	18	8	296,174

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4. Property, Plant and Equipment (Cont'd)

Company	Furniture and fittings RM	Computer equipment and software RM	Office equipment RM	Renovation RM	Electrical equipment RM	Total RM
Cost						
At 1 June 2019	103,487	2,234,815	189,014	708,925	736,145	3,972,386
Additions	-	33,120	-	-	-	33,120
At 31 May 2020	103,487	2,267,935	189,014	708,925	736,145	4,005,506
Accumulated depreciation						
At 1 June 2019	101,126	1,456,371	188,982	657,621	736,137	3,140,237
Charge for the financial year	1,166	260,336	-	25,643	-	287,145
At 31 May 2020	102,292	1,716,707	188,982	683,264	736,137	3,427,382
Carrying Amount						
At 31 May 2020	1,195	551,228	32	25,661	8	578,124

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5. **Right-of-Use Assets**

	Building RM
Group and Company	
2021	
Cost	
At 1 June 2020/31 May 2021	<u>475,271</u>
Accumulated amortisation	
At 1 June 2020	145,222
Charge for the financial year	<u>158,424</u>
At 31 May 2021	<u>303,646</u>
Carrying amount	
At 31 May 2021	<u>171,625</u>
2020	
Cost	
At 1 June 2019	-
Addition	<u>475,271</u>
At 31 May 2020	<u>475,271</u>
Accumulated amortisation	
At 1 June 2019	-
Charge for the financial year	<u>145,222</u>
At 31 May 2020	<u>145,222</u>
Carrying amount	
At 31 May 2020	<u>330,049</u>

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6. **Intangible Assets**

	Software RM	Development costs RM	Intellectual property rights RM	Total RM
Group				
2021				
Cost				
At 1 June 2020/31 May 2021	28,406,063	4,864,405	15,000,000	48,270,468
Accumulated amortisation				
At 1 June 2020	7,726,388	4,670,526	3,956,126	16,353,040
Charge for the financial year	3,100,720	-	552,049	3,652,769
At 31 May 2021	10,827,108	4,670,526	4,508,175	20,005,809
Accumulated impairment loss				
At 1 June 2020/31 May 2021	-	193,879	7,043,874	7,237,753
Carrying amount				
At 31 May 2021	17,578,955	-	3,447,951	21,026,906
2020				
Cost				
At 1 June 2019/31 May 2020	28,406,063	4,864,405	15,000,000	48,270,468
Accumulated amortisation				
At 1 June 2019	4,605,006	4,595,476	3,404,077	12,604,559
Charge for the financial year	3,121,382	75,050	552,049	3,748,481
At 31 May 2020	7,726,388	4,670,526	3,956,126	16,353,040
Accumulated impairment loss				
At 1 June 2019	-	-	3,959,019	3,959,019
Charge for the financial year	-	193,879	3,084,855	3,278,734
At 31 May 2020	-	193,879	7,043,874	7,237,753
Carrying amount				
At 31 May 2020	20,679,675	-	4,000,000	24,679,675

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CONT'D

6. **Intangible Assets (Cont'd)**

	Software RM	Development costs RM	Intellectual property rights RM	Total RM
Company				
2021				
Cost				
At 1 June 2020/31 May 2021	17,363,746	3,867,003	15,000,000	36,230,749
Accumulated amortisation				
At 1 June 2020	5,609,118	3,673,124	3,956,126	13,238,368
Charge for the financial year	2,076,102	-	552,049	2,628,151
At 31 May 2021	7,685,220	3,673,124	4,508,175	15,866,519
Accumulated impairment loss				
At 1 June 2020/31 May 2021	-	193,879	7,043,874	7,237,753
Carrying amount				
At 31 May 2021	9,678,526	-	3,447,951	13,126,477
2020				
Cost				
At 1 June 2019/31 May 2020	17,363,746	3,867,003	15,000,000	36,230,749
Accumulated amortisation				
At 1 June 2019	3,533,025	3,598,074	3,404,077	10,535,176
Charge for the financial year	2,076,093	75,050	552,049	2,703,192
At 31 May 2020	5,609,118	3,673,124	3,956,126	13,238,368
Accumulated impairment loss				
At 1 June 2019	-	-	3,959,019	3,959,019
Charge for the financial year	-	193,879	3,084,855	3,278,734
At 31 May 2020	-	193,879	7,043,874	7,237,753
Carrying amount				
At 31 May 2020	11,754,628	-	4,000,000	15,754,628

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FINANCIAL STATEMENTS
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6. **Intangible Assets (Cont'd)**

Assessment of impairment on intangible assets

The recoverable amounts of the intangible assets at the end of the financial year are determined from value-in-use (“VIU”) calculation by discounting the future cash flows generated from the continuing use of the cash generating unit (“CGU”).

The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by the management for the next 5 years.

The key assumptions used for value-in-use calculations are based on future projection of the Group as follows:

	2021	2020
	%	%
Gross profit margin	49	30
Growth rate	5	5 - 25
Discount rate	<u>16</u>	<u>12</u>

(i) Growth rate - The growth rate is based on industry growth forecasts.

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

The values assigned to the key assumptions represent the management’s assessment of future trends in the industry and are based on both external sources and internal sources.

There were no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to exceed its recoverable amount.

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7. **Investment in Subsidiary Companies**

	Company	
	2021 RM	2020 RM
In Malaysia		
Unquoted shares, at cost	100,006	100,006
Less: Accumulated impairment losses	(99,999)	(99,999)
	7	7

The shares of all subsidiary companies are held directly by the Company.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Palette System Sdn. Bhd.	Malaysia	100	100	Development and marketing of information technology related products and services
UCrest Technology Sdn. Bhd.	Malaysia	100	100	Dormant
UCrest Technology Ltd.	British Virgin Islands	100	100	Mobile healthcare services provider

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8. **Trade Receivables**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables	34,930,375	32,224,002	611,668	5,252,047
Less: Accumulated impairment losses	<u>(9,213,920)</u>	<u>(17,926,426)</u>	<u>(239,981)</u>	<u>(2,709,404)</u>
	<u>25,716,455</u>	<u>14,297,576</u>	<u>371,687</u>	<u>2,542,643</u>

The Group's normal trade credit terms range from 30 to 60 days (2020: 30 to 60 days). Other credit terms are determined on a case to case basis. Trade receivables are not secured by any collateral or credit enhancements.

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At the beginning of financial year	17,926,426	2,258,084	2,709,404	806,906
Impairment losses recognised	1,339,831	15,327,603	-	1,883,578
Impairment losses reversed	(9,056,601)	-	(2,093,305)	-
Amount written off	(317,500)	-	(317,500)	-
Exchange differences	<u>(678,236)</u>	<u>340,739</u>	<u>(58,618)</u>	<u>18,920</u>
At the end of financial year	<u>9,213,920</u>	<u>17,926,426</u>	<u>239,981</u>	<u>2,709,404</u>

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8. **Trade Receivables (Cont'd)**

The aged analysis of the trade receivables as at the end of the reporting period:

Group	Gross amount RM	Loss allowance RM	Net amount RM
2021			
Neither past due not impaired	1,114,779	(269,518)	845,261
Past due:			
Less than 30 days	971,141	(244,003)	727,138
31 to 60 days	1,054,341	(267,345)	786,996
61 to 90 days	5,987,050	(1,531,896)	4,455,154
91 to 120 days	5,161,250	(1,332,465)	3,828,785
More than 120 days	17,141,181	(2,068,060)	15,073,121
	<u>30,314,963</u>	<u>(5,443,769)</u>	<u>24,871,194</u>
	31,429,742	(5,713,287)	25,716,455
Credit impaired:			
Past due more than 120 days	<u>3,500,633</u>	<u>(3,500,633)</u>	<u>-</u>
	<u>34,930,375</u>	<u>(9,213,920)</u>	<u>25,716,455</u>
2020			
Neither past due not impaired	-	-	-
Past due:			
More than 120 days	<u>28,256,649</u>	<u>(13,959,073)</u>	<u>14,297,576</u>
	28,256,649	(13,959,073)	14,297,576
Credit impaired:			
Past due more than 120 days	<u>3,967,353</u>	<u>(3,967,353)</u>	<u>-</u>
	<u>32,224,002</u>	<u>(17,926,426)</u>	<u>14,297,576</u>

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8. **Trade Receivables (Cont'd)**

The aged analysis of the trade receivables as at the end of the reporting period: (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Company			
2021			
Neither past due not impaired	43,510	(2,838)	40,672
Past due:			
More than 120 days	375,828	(44,813)	331,015
	<u>419,338</u>	<u>(47,651)</u>	<u>371,687</u>
Credit impaired:			
Past due more than 120 days	192,330	(192,330)	-
	<u>611,668</u>	<u>(239,981)</u>	<u>371,687</u>
2020			
Neither past due not impaired	-	-	-
Past due:			
More than 120 days	4,742,218	(2,199,575)	2,542,643
	<u>4,742,218</u>	<u>(2,199,575)</u>	<u>2,542,643</u>
Credit impaired:			
Past due more than 120 days	509,829	(509,829)	-
	<u>5,252,047</u>	<u>(2,709,404)</u>	<u>2,542,643</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 May 2021, trade receivables of the Group and the Company amounting to RM24,871,194 and RM331,015 (2020: RM14,297,576 and RM2,542,643) were past due but not impaired. These relate to a number of independent customers for whom there is no history of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM3,500,633 and RM192,330 (2020: RM3,967,353 and RM509,829) respectively, relate to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debt recovery process.

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9. **Other Receivables**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other receivables	185,502	340,900	185,502	211,613
Less: impairment loss of other receivables	<u>(185,502)</u>	<u>(185,502)</u>	<u>(185,502)</u>	<u>(185,502)</u>
	-	155,398	-	26,111
Deposits	66,088	66,088	65,788	65,788
Prepayments	<u>5,276</u>	<u>287,568</u>	<u>5,276</u>	<u>2,653</u>
	<u>71,364</u>	<u>353,656</u>	<u>71,064</u>	<u>68,441</u>
	<u>71,364</u>	<u>509,054</u>	<u>71,064</u>	<u>94,552</u>

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At beginning and end of financial year	<u>185,502</u>	<u>185,502</u>	<u>185,502</u>	<u>185,502</u>

10. **Amount due from/(to) subsidiary companies**

	Note	Company	
		2021	2020
		RM	RM
Amount due from subsidiary companies		<u>8,272,287</u>	<u>32,310</u>
Amount due to subsidiary companies	(a)	<u>(8,270,572)</u>	<u>(4,281,476)</u>

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10. **Amount due from/(to) subsidiary companies (Cont'd)**

(a) The aggregate amount due to subsidiary companies during the financial year are as follows:

	Company	
	2021	2020
	RM	RM
Amount due from subsidiary companies	14,385,325	13,757,191
Less: Allowance of impairment loss	<u>(13,376,570)</u>	<u>(13,376,570)</u>
	1,008,755	380,621
Amount due to subsidiary companies	<u>(9,279,327)</u>	<u>(4,662,097)</u>
	<u>(8,270,572)</u>	<u>(4,281,476)</u>

The amount due from/(to) subsidiary companies are non-interest bearing, unsecured and repayable on demand.

11. **Cash and Cash Equivalents**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	7,598,038	1,491,980	6,742,474	708,040
Fixed deposit with licensed bank	11,047,641	46,918	11,047,641	46,918
Less: Bank overdraft	-	(708)	-	-
	<u>18,645,679</u>	<u>1,538,190</u>	<u>17,790,115</u>	<u>754,958</u>

Deposits of the Group and Company have a maturity period of 1 month (2020: 1 month) and the effective interest rates are of 2.80% - 3.10% (2020: 2.80% - 3.10%) respectively.

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12. **Share Capital**

	2021 Units	Group and Company		2020 RM
		2020 Units	2021 RM	
Ordinary shares issued and fully paid:				
At the beginning of financial year	464,032,875	464,032,875	21,761,860	21,761,860
Issue of shares pursuant to private placement	137,004,575	-	20,762,090	-
Issue of shares pursuant to exercise of ESOS	<u>20,840,000</u>	<u>-</u>	<u>3,388,446</u>	<u>-</u>
At the end of financial year	<u>621,877,450</u>	<u>464,032,875</u>	<u>45,912,396</u>	<u>21,761,860</u>

During the financial year, the ordinary share capital of the Company was increased from 464,032,875 units to 621,877,450 units by way of issuance of new ordinary shares pursuant to the following:

- (a) Private placement of 25,000,000 new ordinary shares of RM0.1223 each;
- (b) Private placement of 10,600,000 new ordinary shares of RM0.1297 each;
- (c) Private placement of 58,704,575 new ordinary shares of RM0.1421 each;
- (d) Private placement of 40,700,000 new ordinary shares of RM0.1855 each;
- (e) Private placement of 2,000,000 new ordinary shares of RM0.2190 each;
- (f) 16,540,000 options exercised under ESOS at an exercise price of RM0.0868 each;
- (g) 4,200,000 options exercised under ESOS at an exercise price of RM0.1184 each; and
- (h) 100,000 options exercised under ESOS at an exercise price of RM0.2164 each.

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

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13. Reserves

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Distributable:					
Retained earnings/ (Accumulated losses)		7,128,892	(4,457,026)	(22,277,895)	(14,120,993)
Non-distributable:					
Foreign currency translation reserve	(a)	(11,143)	88,389	-	-
ESOS reserve	(b)	6,609,880	1,476,792	6,609,880	1,476,792
		<u>6,598,737</u>	<u>1,565,181</u>	<u>6,609,880</u>	<u>1,476,792</u>
		<u>13,727,629</u>	<u>(2,891,845)</u>	<u>(15,668,015)</u>	<u>(12,644,201)</u>

(a) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

(b) ESOS reserve

The share options reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options. Share options reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

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13. **Reserves (Cont'd)**

(b) ESOS reserve (Cont'd)

At an Extraordinary General Meeting held on 22 January 2018, the Company's shareholders approved the establishment on an ESOS. The ESOS was implemented on 26 April 2018 for a period of five (5) years and will expire on 25 April 2023.

The salient feature of the ESOS are as follows:

- (i) The total number of new shares which may be made available under the scheme shall not exceed 15% of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS;
- (ii) Eligible persons are confirmed employees including executive directors of the Group and have been in employment for the Group for a period of at least 12 months of continuous service on or prior to the date of allocation. However, where the employee/executive director is serving under an employment contract, the contract should be for duration of at least 2 years;
- (iii) Not more than 50% of the shares under the ESOS will be granted to the directors and senior management. In addition, not more than 10% of the shares under the ESOS will be granted to any individual staff;
- (iv) The option price may be at discount of not more than 10% from 5 days weighted market price of the underlying shares preceeding the date of offer or at par value of the ordinary shares of the Company, whichever is higher;
- (v) The ESOS shall be in force for a period of 5 years and extendable for another 5 years from the effective date; and
- (vi) The option granted may be exercised in full immediately or in parts within the duration of the scheme.

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13. Reserves (Cont'd)

(b) ESOS reserve (Cont'd)

Movement of ESOS during the financial year

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

Grant dates	Exercise price RM	Number of options over ordinary shares				At end of year
		At beginning of year	Granted	Exercised	Lapsed	
2021						
29 April 2020	0.0868	23,220,000	-	(16,540,000)	(280,000)	6,400,000
07 October 2020	0.1184	-	51,232,000	(4,200,000)	-	47,032,000
01 December 2020	0.1374	-	1,500,000	-	-	1,500,000
19 March 2021	0.1806	-	9,000,000	-	-	9,000,000
06 April 2021	0.2164	-	6,000,000	(100,000)	-	5,900,000
		<u>23,220,000</u>	<u>67,732,000</u>	<u>(20,840,000)</u>	<u>(280,000)</u>	<u>69,832,000</u>
2020						
29 April 2020	0.0868	-	23,220,000	-	-	23,220,000

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13. Reserves (Cont'd)

(b) ESOS reserve (Cont'd)

The fair value of share options granted during the financial year was estimated by an independent professional valuer using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities (“MGSs”).

The fair value of share options measured at grant date and the assumptions are follows:

Group	29.4.2020	7.10.2020	1.12.2020	19.3.2021	6.4.2021
	RM	RM	RM	RM	RM
Fair value of share options and assumptions					
Weighted average fair value at grant date (RM)	0.06	0.09	0.10	0.12	0.14
Weighted average share price (RM)	0.10	0.13	0.15	0.20	0.24
Expected volatility (%)	105.74	113.32	111.39	108.74	109.07
Option life (years)	3	3	3	3	3
Expected dividends (%)	-	-	-	-	-
Risk-free interest rate (%)	2.60	2.60	2.60	2.60	2.60

The expected life of the share options is based on historical data, has been adjusted according to management’s best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility over the past 3 years, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Total expenses recognised in profit or loss for share options granted to Directors and employees is in Note 22 to the financial statements.

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14. **Deferred Tax Liabilities**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At the beginning of financial year	-	2,080,217	-	1,422,585
Recognised in profit or loss (Note 24)	-	(2,080,217)	-	(1,422,585)
At the end of financial year	-	-	-	-

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets	(2,452,001)	(2,636,116)	(1,482,353)	(1,643,055)
Deferred tax liabilities	2,452,001	2,636,116	1,482,353	1,643,055
	-	-	-	-

The components and movements of deferred tax assets and liabilities are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets				
At the beginning of financial year	(2,636,116)	-	(1,643,055)	-
Impairment losses on receivables	184,115	(2,636,116)	160,702	(1,643,055)
At the end of financial year	(2,452,001)	(2,636,116)	(1,482,353)	(1,643,055)

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14. **Deferred Tax Liabilities (Cont'd)**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax liabilities				
At the beginning of financial year	2,636,116	-	1,643,055	-
Temporary differences arising from property, plant and equipment	(184,115)	2,599,358	(160,702)	1,637,018
Unrealised foreign exchange gain	-	36,758	-	6,037
At the end of financial year	<u>2,452,001</u>	<u>2,636,116</u>	<u>1,482,353</u>	<u>1,643,055</u>

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Temporary differences	-	854,984	-	-
Unabsorbed capital allowances	516,162	4,860,081	516,162	1,521,968
Unabsorbed tax losses	<u>12,603,605</u>	<u>5,562,438</u>	<u>12,603,605</u>	<u>5,452,666</u>
	<u>13,119,767</u>	<u>11,277,503</u>	<u>13,119,767</u>	<u>6,974,634</u>
Unrecognised deferred tax assets at 24% (2020: 24%)	<u>3,148,744</u>	<u>2,706,601</u>	<u>3,148,744</u>	<u>1,673,912</u>

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14. **Deferred Tax Liabilities (Cont'd)**

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

Pursuant to Section 11 of the Finance Act 2018 (Act 812), special provision relating to Section 43 and 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2019 to 2025).

The unused tax losses for which no deferred tax assets have been recognised are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Years of assessment				
- 2027	<u>12,603,605</u>	<u>5,562,438</u>	<u>12,603,605</u>	<u>5,452,666</u>

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15. **Trade Payables**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current	98,187	240,247	98,187	240,247
Current	<u>6,237,981</u>	<u>16,195,689</u>	<u>1,293,455</u>	<u>3,468,522</u>
	<u>6,336,168</u>	<u>16,435,936</u>	<u>1,391,642</u>	<u>3,708,769</u>

Included in the trade payables is an amount owing to a third party arising from settlement agreement totalling of RM240,247 (2020: RM393,031).

The normal trade credit terms for current trade payables granted to the Group and the Company range from 30 to 90 days (2020: 30 to 90 days).

16. **Lease liabilities**

	Group and Company	
	2021 RM	2020 RM
Cost		
At beginning of the financial year	336,276	-
Addition	-	475,271
Interest expenses	7,444	10,660
Rent concession	(16,057)	-
Repayment	<u>(150,197)</u>	<u>(149,655)</u>
At end of the financial year	<u>177,466</u>	<u>336,276</u>
Minimum lease liabilities repayments		
Within 1 year	166,523	166,252
Later than 1 year but not later than 2 years	<u>13,876</u>	<u>180,401</u>
	180,399	346,653
Less: Future finance charges	<u>(2,933)</u>	<u>(10,377)</u>
	<u>177,466</u>	<u>336,276</u>
Present value of minimum lease liabilities repayments		
Within 1 year	163,622	158,808
Later than 1 year but not later than 2 years	<u>13,844</u>	<u>177,468</u>
	<u>177,466</u>	<u>336,276</u>
Analysed by:		
Current portion	163,622	158,808
Non-current portion	<u>13,844</u>	<u>177,468</u>
	<u>177,466</u>	<u>336,276</u>

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16. **Lease liabilities (Cont'd)**

Rates of interest charged per annum:

	Group and Company	
	2021	2020
	%	%
Lease liabilities owing to non-financial institutions	<u>2.82</u>	<u>2.82</u>

- (a) The Group has certain leases of equipment with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.
- (b) The following are the amounts recognised in profit or loss:

	Group and Company	
	2021	2020
	RM	RM
Depreciation of right-of-use assets	158,424	145,222
Interest on lease liabilities	7,444	10,660
Expenses relating to short-term leases	<u>3,900</u>	<u>17,740</u>
	<u>169,768</u>	<u>173,622</u>

- (c) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM150,197 (2020: RM149,655).

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17. **Other Payables**

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Other payables		5,783	311,571	-	251,275
Accruals		195,816	2,153,372	144,902	115,224
Amount due to directors	(a)	14,473	618,601	14,473	618,601
Deferred income	(b)	-	3,414,442	-	1,722,006
		<u>216,072</u>	<u>6,497,986</u>	<u>159,375</u>	<u>2,707,106</u>

(a) Amount due to directors of the Group and the Company are non-interest bearing, unsecured and repayable on demand.

(b) Deferred income represents the initial payments received from customers during the financial year that relate to goods and services which have not been transferred and performed are initially deferred and are subsequently recognised as revenue when the goods and services are transferred or performed.

18. **Revenue**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>At point in time</u>				
Revenue from contracts with customers:				
- Equipment	23,806,252	12,276,467	267,800	188,200
- Services	1,650,924	-	1,650,924	-
	<u>25,457,176</u>	<u>12,276,467</u>	<u>1,918,724</u>	<u>188,200</u>

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19. **Cost of sales**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Purchases	9,968,904	8,229,223	3,170	444
Technical support and maintenance	12,479	-	12,479	-
Others	300	266	250	266
	<u>9,981,683</u>	<u>8,229,489</u>	<u>15,899</u>	<u>710</u>

20. **Other Income**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest income	51,034	25,644	50,891	20,214
Gain on foreign exchange:				
- Realised	200,792	15,217	18,742	15,217
- Unrealised	378,296	467,531	378,296	108,315
Rent concession	16,057	-	16,057	-
Others	2,007,199	13	1,199	13
	<u>2,653,378</u>	<u>508,405</u>	<u>465,185</u>	<u>143,759</u>

21. **Finance Costs**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest expenses on				
- Bank overdraft	3,984	7,635	2,021	6,771
- Accretion of discount on trade payables	87,216	75,682	87,216	75,682
- Lease liabilities	7,444	10,660	7,444	10,660
	<u>98,644</u>	<u>93,977</u>	<u>96,681</u>	<u>93,113</u>

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22. **Profit/(Loss) Before Tax**

Profit/(loss) before taxation is determined after charging/(crediting):

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
- statutory audit	145,000	125,000	108,000	94,000
- under provision in prior year	-	2,200	-	400
- non-audit services	5,000	5,000	5,000	5,000
Amortisation of right-of-use assets	158,424	145,222	158,424	145,222
Amortisation of intangible assets	3,652,769	3,748,481	2,628,151	2,703,192
Depreciation of property, plant and equipment	289,416	287,145	289,416	287,145
Directors' remuneration (Note 27)	279,323	279,323	279,323	279,323
ESOS expenses	6,584,750	1,476,792	6,584,750	1,476,792
Impairment loss on intangible assets	-	3,278,734	-	3,278,734
Impairment losses reversed on trade receivables	(9,056,601)	-	(2,093,305)	-
Impairment losses recognised on trade receivables	1,339,831	15,327,603	-	1,883,578
Expenses relating to short-term leases:				
- Office equipment	3,900	4,680	3,900	4,680
- Premises	-	13,060	-	13,060
Loss on foreign exchange:				
- Realised	108,356	14,482	81,452	14,482
- Unrealised	303,310	432,205	-	192,323
Staff costs (Note 23)	991,127	1,197,314	905,436	1,112,916

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23. **Staff Costs**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Salaries, wages and other emoluments	945,738	1,152,214	871,218	1,079,389
Defined contribution plans	45,389	45,100	34,218	33,527
	<u>991,127</u>	<u>1,197,314</u>	<u>905,436</u>	<u>1,112,916</u>

24. **Tax expense/(credit)**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Current tax:				
- Under/(Over) provision in prior year	<u>120,145</u>	<u>(159,204)</u>	<u>-</u>	<u>(11,330)</u>
Deferred tax:				
- Origination and reversal of temporary differences	-	(2,224,333)	-	(1,421,420)
- Under/(Over) provision in prior years	-	144,116	-	(1,165)
	<u>-</u>	<u>(2,080,217)</u>	<u>-</u>	<u>(1,422,585)</u>
Tax expense/(credit) for the financial year	<u>120,145</u>	<u>(2,239,421)</u>	<u>-</u>	<u>(1,433,915)</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

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24. **Tax expense/(credit)**

A reconciliation of income tax expense/(credit) applicable to profit/(loss) before tax at the statutory tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax	<u>11,688,255</u>	<u>(22,990,085)</u>	<u>(8,174,710)</u>	<u>(12,368,087)</u>
At Malaysian statutory tax rate of 24% (2020: 24%)	2,805,181	(5,517,620)	(1,961,930)	(2,968,341)
Tax exempt from foreign income	(3,716,791)	-	-	-
Non-deductible expenses	517,657	2,338,526	491,596	1,140,264
Income not subject to tax	(48,190)	(44)	(4,498)	-
Utilisation of deferred tax assets not recognised	(1,032,689)	-	-	-
Deferred tax assets not recognised	1,474,832	954,805	1,474,832	406,657
Under/(Over) provision of income tax in prior year	120,145	(159,204)	-	(11,330)
Under/(Over) provision of deferred tax in prior year	-	144,116	-	(1,165)
	<u>120,145</u>	<u>(2,239,421)</u>	<u>-</u>	<u>(1,433,915)</u>

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25. **Earnings/(Losses) per share**

(a) Basic earnings/(losses) per share

The basic earnings/(losses) per share are calculated based on the consolidated profit/(loss) for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021	2020
	RM	RM
Profit/(Loss) attributable to owners of the company	<u>11,568,110</u>	<u>(20,750,664)</u>
Weighted average number of ordinary shares for basic earnings per share (units)	<u>531,211,152</u>	<u>464,032,875</u>
Basic earnings/(losses) per share (cents)	<u>2.18</u>	<u>(4.47)</u>

(b) Diluted earnings/(losses) per share

Diluted earnings/(losses) per share are calculated based on the adjusted consolidated profit/(loss) for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2021	2020
	RM	RM
Profit/(Loss) attributable to owners of the company	<u>11,568,110</u>	<u>(20,750,664)</u>
Weighted average number of ordinary shares for basic earnings per share (units)	531,211,152	464,032,875
Effects of dilution due to ESOS	<u>13,211,141</u>	<u>9,783,360</u>
Adjusted weighted average number of ordinary shares for basic earnings per share (units)	<u>544,422,293</u>	<u>473,816,235</u>
Diluted earnings/(losses) per ordinary share (cents)	<u>2.13</u>	<u>(4.38)</u>

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26. **Reconciliation of liabilities arising from financing activities**

	At beginning of year RM	Financing cash flows RM	Non-cash changes (i) RM	At end of year RM
Group				
2021				
Lease liabilities	336,276	(150,197)	(8,613)	177,466
Amount due to directors	618,601	(604,128)	-	14,473
2020				
Lease liabilities	-	(149,654)	485,930	336,276
Amount due to directors	-	618,601	-	618,601
Company				
2021				
Lease liabilities	336,276	(150,197)	(8,613)	177,466
Amount due to directors	618,601	(604,128)	-	14,473
Amount due to subsidiary companies	4,281,476	3,989,096	-	8,270,572
2020				
Lease liabilities	-	(138,995)	475,271	336,276
Amount due to directors	-	618,601	-	618,601
Amount due to subsidiary companies	4,418,474	(136,998)	-	4,281,476

- (i) Non-cash changes include rent concession, interest expense on lease liability and addition in lease liabilities.

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27. **Significant Related Party Disclosures**

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 10 and 17, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Transaction a company in which certain directors has substantial interest:				
- Purchase of plant and equipment	-	1,375	-	1,375
- Sale of goods	14,671,748	-	-	-
- Professional fees	23,574	-	23,574	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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27. **Significant Related Party Disclosures (Cont'd)**

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Director				
Salaries, wages and other emoluments	120,000	120,000	120,000	120,000
Defined contribution plans	15,323	15,323	15,323	15,323
Non-executive Directors				
Fees	144,000	144,000	144,000	144,000
	<u>279,323</u>	<u>279,323</u>	<u>279,323</u>	<u>279,323</u>

Compensation of key management personnel comprised all the directors of the Group and of the Company.

28. **Segment Information**

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

Operating segment

The principal activities of the Group are carrying on design, development and marketing of information technology related products and services which are substantially within a single operating segment. As such, segmental reporting by business segment is deemed not necessary. Accordingly, the information regarding its financial position and results is represented by the financial statements are a whole.

Segment results

Segment performance is used to measure performance as Group's Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

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28. **Segment Information (Cont'd)**

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group's Chief Executive Officer.

(a) Geographical segments

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue		Non-current assets	
	2021 RM	2020 RM	2021 RM	2020 RM
Group				
Malaysia	267,800	188,375	21,495,225	25,588,368
Singapore	21,914,501	12,088,092	-	-
Russia	3,274,875	-	-	-
	<u>25,457,176</u>	<u>12,276,467</u>	<u>21,495,225</u>	<u>25,588,368</u>

Non-current assets for this purpose consist of property, plant and equipment, right of use assets and intangible assets.

(b) Major customer

Revenue from two major customers (2020: one customer) amounting to RM21,914,501 (2020: RM12,088,092) equal or more than 10% of the Group's revenue are as follows:

	2021 RM	2020 RM
Customer A	7,242,753	12,088,092
Customer B	14,671,748	-
	<u>21,914,501</u>	<u>12,088,092</u>

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29. **Financial Instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense including fair value gains and losses are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost	
	2021	2020
	RM	RM
Group		
Financial assets		
Trade receivables	25,716,455	14,297,576
Other receivables (excluded prepayments)	66,088	221,486
Deposits with licensed financial institutions	11,047,641	46,918
Cash and bank balances	7,598,038	1,491,980
	<u>44,428,222</u>	<u>16,057,960</u>
Financial liabilities		
Trade payables	6,336,168	16,435,936
Other payables	216,072	6,497,986
Lease liabilities	177,466	336,276
Bank overdraft	-	708
	<u>6,729,706</u>	<u>23,270,906</u>
Company		
Financial assets		
Trade receivables	371,687	2,542,643
Other receivables (excluded prepayments)	65,788	91,899
Amount due from subsidiary companies	8,272,287	32,310
Deposits with licensed financial institutions	11,047,641	46,918
Cash and bank balances	6,742,474	708,040
	<u>26,499,877</u>	<u>3,421,810</u>
Financial liabilities		
Trade payables	1,391,642	3,708,949
Other payables	159,375	2,707,106
Amount due to subsidiary companies	8,270,572	4,281,476
Lease liabilities	177,466	336,276
	<u>9,999,055</u>	<u>11,033,807</u>

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group 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 principally from its receivables from customers and deposits with banks and financial institutions. The Group's and the Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to subsidiary companies.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provide unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

The Group's major concentration of credit risk relates to the amounts owing by two customers (2020: one customer) amounted to RM21,914,501 (2020: RM12,088,092 which constituted approximately 85% (2020: 88%) of its trade receivables as at the end of the reporting period.

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay:

Group	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2021					
Non-derivative financial liabilities					
Trade payables	6,335,921	176,728	-	6,512,649	6,336,168
Other payables	216,072	-	-	216,072	216,072
Lease liabilities	166,523	13,876	-	180,399	177,466
	<u>6,718,516</u>	<u>190,604</u>	<u>-</u>	<u>6,909,120</u>	<u>6,729,706</u>
2020					
Non-derivative financial liabilities					
Trade payables	16,282,905	240,000	176,728	16,699,633	16,435,936
Other payables	6,497,986	-	-	6,497,986	6,497,986
Lease liabilities	166,252	166,524	13,877	346,653	336,276
Bank overdraft	708	-	-	708	708
	<u>22,947,851</u>	<u>406,524</u>	<u>190,605</u>	<u>23,544,980</u>	<u>23,270,906</u>

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay: (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
2021					
Non-derivative financial liabilities					
Trade payables	1,391,395	176,728	-	1,568,123	1,391,642
Other payables	159,375	-	-	159,375	159,375
Amount due to subsidiary companies	8,270,572	-	-	8,270,572	8,270,572
Lease liabilities	166,523	13,876	-	180,399	177,466
	<u>9,987,865</u>	<u>190,604</u>	<u>-</u>	<u>10,178,469</u>	<u>9,999,055</u>
2020					
Non-derivative financial liabilities					
Trade payables	3,555,738	240,000	176,728	3,972,466	3,708,949
Other payables	2,707,106	-	-	2,707,106	2,707,106
Amount due to subsidiary companies	4,281,476	-	-	4,281,476	4,281,476
Lease liabilities	166,252	166,524	13,877	346,653	336,276
	<u>10,710,572</u>	<u>406,524</u>	<u>190,605</u>	<u>11,307,701</u>	<u>11,033,807</u>

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily United States Dollar (“USD”).

The Group and the Company has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amount of the Group’s and the Company’s foreign currency denominated financial assets and financial liabilities of the reporting period are as follows:

	USD RM	EURO RM	SGD RM	Total RM
Group				
2021				
Cash and bank				
balances	847,939	139,806	4,997,986	5,985,731
Trade receivables	25,612,011	-	-	25,612,011
Other receivables	1,376	-	-	1,376
Trade payables	(2,898,659)	-	(296)	(2,898,955)
	<u>23,562,667</u>	<u>139,806</u>	<u>4,997,690</u>	<u>28,700,163</u>
2020				
Cash and bank				
balances	893,495	133,954	-	1,027,449
Trade receivables	7,607,611	-	-	7,607,611
Other receivables	284,914	-	-	284,914
Trade payables	(5,425,131)	-	-	(5,425,131)
Other payables	(1,692,436)	-	-	(1,692,436)
Borrowings	-	-	(708)	(708)
	<u>1,668,453</u>	<u>133,954</u>	<u>(708)</u>	<u>1,801,699</u>

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The carrying amount of the Group's and the Company's foreign currency denominated financial assets and financial liabilities of the reporting period are as follows: (Cont'd)

	USD RM	EURO RM	SGD RM	Total RM
Company				
2021				
Cash and bank				
balances	127,372	131,153	4,976,371	5,234,896
Trade receivables	268,618	-	-	268,618
Trade payables	(892,171)	-	(296)	(892,467)
	<u>(496,181)</u>	<u>131,153</u>	<u>4,976,075</u>	<u>4,611,047</u>
2020				
Cash and bank				
balances	134,185	125,558	-	259,743
Trade receivables	2,542,643	-	-	2,542,643
Trade payables	(3,311,977)	-	-	(3,311,977)
	<u>(635,149)</u>	<u>125,558</u>	<u>-</u>	<u>(509,591)</u>

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

Group	Change in currency rate	2021 Effect on profit before tax RM	2020 Effect on loss before tax RM
USD	Strengthen 10% (2020: 10%)	2,356,267	166,845
	Weakened 10% (2020: 10%)	(2,356,267)	(166,845)
EURO	Strengthen 10% (2020: 10%)	13,981	13,395
	Weakened 10% (2020: 10%)	(13,981)	(13,395)
SGD	Strengthen 10% (2020: 10%)	499,769	71
	Weakened 10% (2020: 10%)	<u>(499,769)</u>	<u>(71)</u>

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant. (Cont'd)

Company	Change in currency rate		2021 Effect on profit before tax RM	2020 Effect on loss before tax RM
USD	Strengthen 10%	(2020: 10%)	(49,618)	(63,515)
	Weakened 10%	(2020: 10%)	49,618	63,515
EURO	Strengthen 10%	(2020: 10%)	13,115	12,556
	Weakened 10%	(2020: 10%)	(13,115)	(12,556)
SGD	Strengthen 10%	(2020: 10%)	497,608	-
	Weakened 10%	(2020: 10%)	<u>(497,608)</u>	<u>-</u>

(ii) Interest rate risk

The Company's fixed rate deposits placed with licensed financial institutions are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group's and the Company's fixed rate deposit with licensed financial institution and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates.

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29. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amount at the end of the reporting period was:

	Group and Company	
	2021	2020
	RM	RM
Fixed rate instruments		
Financial assets	11,047,641	46,918
Financial liability	<u>(177,466)</u>	<u>(336,276)</u>
	<u>10,870,175</u>	<u>(289,358)</u>

The Group and the Company do not account for any fixed rate financial assets and liability at fair value through profit or loss. Therefore, a charge in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

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29. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments not carried at fair value						Total fair value RM	Carrying amount RM
	Level 1 RM	Total RM	Level 2 RM	Total RM	Level 3 RM	Total RM		
2021								
Financial liabilities								
Trade payables	-	-	-	-	98,187	98,187	98,187	98,187
Lease liabilities	-	-	-	-	175,180	175,180	175,180	177,466
2020								
Financial liabilities								
Trade payables	-	-	-	-	240,247	240,247	240,247	240,247
Lease liabilities	-	-	-	-	332,239	332,239	332,239	336,276

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29. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (Cont'd)

Company	Fair value of financial instruments not carried at fair value					Total fair value RM	Carrying amount RM
	Level 1 RM	Total RM	Level 2 RM	Total RM	Level 3 RM		
2021							
Financial liabilities							
Trade payables	-	-	-	-	98,187	98,187	98,187
Lease liabilities	-	-	-	-	175,180	175,180	177,466
2020							
Financial liabilities							
Trade payables	-	-	-	-	98,187	98,187	98,187
Lease liabilities	-	-	-	-	332,239	332,239	336,276

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

29. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

(i) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iii) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

30. **Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

30. Capital Management (Cont'd)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	15	6,336,168	16,435,936	1,391,642	3,708,769
Other payables	17	216,072	6,497,986	159,375	2,707,105
Bank overdraft		-	708	-	-
Lease liabilities	16	177,466	336,276	177,466	336,276
		<u>6,729,706</u>	<u>23,270,906</u>	<u>1,728,483</u>	<u>6,752,150</u>
Less: Cash and bank balances and fixed deposits	11	<u>(18,645,679)</u>	<u>(1,538,898)</u>	<u>(17,790,115)</u>	<u>(754,958)</u>
		<u>(11,915,973)</u>	<u>21,732,008</u>	<u>(16,061,632)</u>	<u>5,997,192</u>
Total equity		<u>59,640,025</u>	<u>18,870,015</u>	<u>30,244,381</u>	<u>9,117,659</u>
Gearing ratio (times)		<u>#</u>	<u>1.15</u>	<u>#</u>	<u>0.65</u>

Gearing ratio is not applicable as the Group and the Company has sufficient cash and cash equivalent to settle the outstanding debt.

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

31. Significant Events

- (i) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak has resulted in travel restrictions, quarantines, lockdowns and other precautionary measures imposed by various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company and its major subsidiary companies operate.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the pandemic. However, the management has assessed the overall impact and of the opinion that there were no any major adverse impacts arising from the pandemic for the financial year ended 31 May 2021.

NOTES TO THE
FINANCIAL STATEMENTS
31 MAY 2021
CONT'D

31. Significant Events (Cont'd)

- (i) At the date of the approval of financial statements, given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, the Group is unable to reasonably estimate the potential financial impact of COVID-19 outbreak on the Group's 2022 financial statements reliably at this juncture. Nevertheless, the Group will continue to monitor the situation surrounding the pandemic and will be taking appropriate and timely measures to minimise the potential adverse impact arising from the pandemic on the Group's operations.
- (ii) On 9 April 2021, the Company entered into a Memorandum of Understanding ("MOU") with Russia Direct Investment Fund ("RDIF") for management of manufacturing of Sputnik V vaccines for the quantity of not less than 100 million doses and not more than 1 billion doses per annum for the first 2 years.

On 19 May 2021, the Board of Directors of the Company announced that the Company had signed an MOU with two contract manufacturers in China and secured the capacity to produce Sputnik V vaccines of total no less than 312 million doses up to 960 million doses for a period of 24 months.

The agreement has yet to commence and any effect to the financial statements will be reflected in the subsequent financial year.

32. Subsequent Events

Further to the announcement as mentioned in Note 31(ii), on 9 June 2021, the Company had entered into an MOU with an additional new contract manufacturer in China and secured the capacity to produce the Sputnik V vaccines of up to 100 million doses per year for the period of two years.

On 6 September 2021, UCrest Technology Ltd, a wholly owned subsidiary of the Company, entered into a Master Service Agreement with Limited Liability Company "Human Vaccine", a wholly owned subsidiary of RDIF for production of Sputnik V vaccines, following the MOU signed between the Company and RDIF.

33. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 September 2021.

SHAREHOLDING STATISTICS

Paid up Capital : RM41,864,258.11 comprising of 621,877,450 Ordinary Shares
 Class of Shares : Ordinary Shares
 Voting Rights : 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

As At 01 September 2021

Size of Holdings	No. of Share Holders	% of Share Holders	No. of Share Held	% of Share Held
1 - 99	86	0.660	3,672	0.000
100 - 1,000	1,358	10.429	765,851	0.123
1,001 - 10,000	5,801	44.551	35,773,351	5.752
10,001 - 100,000	5,103	39.190	176,309,700	28.351
100,001 – 31,093,871 (*)	672	5.160	319,753,449	51.417
31,093,872 and above (**)	1	0.007	89,271,427	14.355
Total:	13,021	100.00	621,877,450	100.00

Remark: * - LESS THAN 5% OF ISSUED SHARES

** - 5% AND ABOVE OF ISSUED SHARES

SUBSTANTIAL SHAREHOLDERS

As At 01 September 2021 (As Per the Register of Substantial Shareholders)

No.	Directors	Direct Shareholdings		Indirect Shareholdings	
		No. of Share Holders	%	No. of Share Held	%
1.	EG KAH YEE	89,271,427	14.355	2,000,002 ^(a)	0.321
2.	EG KAA CHEE	2,000,002	0.321	89,271,427 ^(b)	14.355

DIRECTORS' SHAREHOLDINGS

As At 01 September 2021 (As Per The Register of Directors' Shareholding)

No.	Directors	Direct Shareholdings		Indirect Shareholdings	
		No. of Share Holders	%	No. of Share Held	%
1.	ABDUL RAZAK BIN DATO' HAJI IPAP	1,500,000	0.241	–	–
2.	CHUAN TSUI JU	1,500,750	0.241	–	–
3.	DATO' DR MOHD FIKRI ABDULLAH	–	–	–	–
4.	EG KAA CHEE	2,000,002	0.321	89,271,427 ^(b)	14.355
5.	EG KAH YEE	89,271,427	14.355	2,000,002 ^(a)	0.321
6.	PROF. LOW TECK SENG	–	–	–	–
7.	THONG KOOI PIN	2,000,250	0.321	–	–

Note:-

- (a) Deemed interested through his brother Eg Kaa Chee
 (b) Deemed interested through his brother Eg Kah Yee

SHAREHOLDING STATISTICS CONT'D

THIRTY LARGEST SHAREHOLDERS

As At 01 September 2021

No.	Shareholders	No. of Shares	%
1	EG KAH YEE	89,271,427	14.355
2	NG GEOK LUI	20,576,875	3.308
3	LIM LAE YONG	14,786,000	2.377
4	UNITED CREST EQUITY LIMITED	13,485,900	2.168
5	LEE KIN HIN	8,580,045	1.379
6	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD (CLIENTS' ACCOUNT)	8,000,000	1.286
7	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TERENCE WONG @ HUANG THAR-REARN	8,000,000	1.286
8	RHB NOMINEES (TEMPATAN) SDN BHD CAROLYN WONG TARNN YOONG	7,000,000	1.125
9	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	5,325,900	0.856
10	RHB NOMINEES (TEMPATAN) SDN BHD TAN AH LOY @ TAN MAY LING	5,000,000	0.804
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOO SAW ENG (E-SPT/MIN)	4,000,000	0.643
12	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LOO SAW ENG	3,100,000	0.498
13	LAU ENG HUAT	3,000,000	0.482
14	RHB NOMINEES (TEMPATAN) SDN BHD CHAN SHOOK FUN	2,500,000	0.402
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KING KIONG (8081964)	2,438,100	0.392
16	TEH BOON KING	2,423,400	0.389
17	SUA TIEN FONG	2,400,000	0.385
18	EG KAA CHEE	2,000,002	0.321
19	HONG MUN KUN	2,000,000	0.321
20	THONG KOOI PIN	2,000,000	0.321
21	VICTOR CHAI CHENG WAH	1,932,000	0.310
22	NGUYEN THI PHUONG	1,910,000	0.307
23	CHOW CHOON FUTT	1,700,000	0.273
24	TEO HUR TEAN	1,690,000	0.271
25	SUA YONG CHIN	1,601,100	0.257
26	CHUAN TSUI JU	1,500,750	0.241
27	ABDUL RAZAK BIN IPAP	1,500,000	0.241
28	LAW KING YONG	1,500,000	0.241
29	LEE ENG CHUAN	1,500,000	0.241
30	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	1,406,200	0.226

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of the Company will be conducted entirely through live streaming from the broadcast venue at UCrest's Headoffice at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 12 November 2021 at 11.00 a.m. to transact the following business: -

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 May 2021 together with the Reports of the Directors' and Auditors' thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' Fees of RM216,000 for the financial year ending 31 May 2022. **(Resolution 1)**
(Please refer to Explanatory Note 2)
3. To re-elect Abdul Razak Bin Dato' Haji Ippap who retires pursuant to Clause 76(3) of the Constitution. **(Resolution 2)**
(Please refer to Explanatory Note 3)
4. To re-elect Dato' Dr. Mohd Fikri Bin Abdullah who retires pursuant to Clause 76(3) of the Constitution. **(Resolution 3)**
(Please refer to Explanatory Note 3)
5. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company: -

7. **ORDINARY RESOLUTION I
AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES** **(Resolution 5)**
(Please refer to Explanatory Note 4)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company from time to time at such price, 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 issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
8. **ORDINARY RESOLUTION II
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **(Resolution 6)**
(Please refer to Explanatory Note 5)

"THAT approval be and is hereby given to Thong Kooi Pin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING CONT'D

9. **ORDINARY RESOLUTION III
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE
DIRECTOR**

(Resolution 7)

(Please refer to Explanatory Note 6)

“THAT subject to passing of Resolution 2, approval be and is hereby given for Abdul Razak Bin Dato’ Haji Ipap who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”

10. **ORDINARY RESOLUTION IV
PROPOSED NEW AND RENEWAL OF EXISTING SHAREHOLDERS’
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OF TRADING NATURE**

(Resolution 8)

(Please refer to Explanatory Note 7)

“THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE Listing Requirements”), the Company and its subsidiaries (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 1.4 of the Circular to Shareholders dated 30 September 2021 (“Related Party”) provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) are undertaken in the ordinary course of business at arm’s length basis and are on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (c) are not detrimental to the minority shareholders of the Company.

(collectively known as “Shareholders’ Mandate”)

AND THAT such approval, shall continue to be in force until: -

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Companies Act, 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Shareholders’ Mandate during a financial year will be disclosed, in accordance with the ACE Listing Requirements, in the Annual Report of the Company for the said financial year;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING CONT'D

By Order of the Board

WONG WAI FOONG
SSM PC NO. 202008001472 (MAICSA 7001358)

JOANNE TOH JOO ANN
SSM PC NO. 202008001119 (LS 0008574)
Company Secretaries

Kuala Lumpur
Dated: 30 September 2021

NOTES: -

(i) NOTES ON APPOINTMENT OF PROXY

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 3 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*
5. *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
8. *The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All Proxy Form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General 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.*
10. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the Proxy Form is Wednesday, 10 November 2021 at 11.00 a.m.*

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING CONT'D

EXPLANATORY NOTE ON ORDINARY / SPECIAL BUSINESS

1. Item 1 of Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Directors' Fees

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The details of the Directors' remuneration are set out in the Corporate Governance Overview Statement of this Annual Report.

The Director's fees proposed under Resolution 1 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size. In the event the Directors fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

3. Re-election of Directors

The Board has undertaken an annual assessment of Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah who are seeking for re-election pursuant to Clause 76(3) of the Constitution of the Company respectively at the forthcoming Twenty-Fourth Annual General Meeting. The annual assessment has been disclosed in the Corporate Governance Overview Statement of the Company's 2021 Annual Report.

4. ORDINARY RESOLUTION I Resolution Pursuant to Sections 75 and 76 of the Companies Act, 2016

The Ordinary Resolution proposed under Resolution 5 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate").

The Ordinary Resolution proposed under Resolution 5, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, the Company issued 42,700,000 new Ordinary Shares pursuant to the mandate granted to the Directors at the Twenty-Third Annual General Meeting.

5. ORDINARY RESOLUTION II Continuation in Office as Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of the shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Thong Kooi Pin was appointed to the Board on 18 December 2006 and have therefore as at the date of this Notice, served the Company for more than twelve (12) years. The Board has via the Nomination Committee assessed the independence of Thong Kooi Pin and recommended that he continue to act as an Independent Non-Executive Director of the Company. Details of the Board's justifications and recommendations for the retention of Thong Kooi Pin are set out in the Corporate Governance Overview Statement of the 2021 Annual Report.

The Ordinary Resolution proposed under Resolution 6 if passed, will enable Thong Kooi Pin to continue to act as an Independent Non-Executive Director of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking shareholders' approval for this resolution.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING CONT'D

6. **ORDINARY RESOLUTION III** **Continuation in Office as Independent Non-Executive Director**

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of the shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Abdul Razak Bin Dato' Haji Ipap was appointed to the Board on 1 June 2001 and have therefore as at the date of this Notice, served the Company for more than twelve (12) years. The Board has via the Nomination Committee assessed the independence of Abdul Razak Bin Dato' Haji Ipap and recommended that he continue to act as an Independent Non-Executive Director of the Company. Details of the Board's justifications and recommendations for the retention of Abdul Razak Bin Dato' Haji Ipap are set out in the Corporate Governance Overview Statement of the 2021 Annual Report.

The Ordinary Resolution proposed under Resolution 7 if passed, will enable Abdul Razak Bin Dato' Haji Ipap to continue to act as an Independent Non-Executive Director of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking shareholders' approval for this resolution.

7. **ORDINARY RESOLUTION IV** **Proposed New and Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature.**

The Ordinary Resolution proposed under Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interests of the minority shareholders.

Please refer to the Circular to Shareholders dated 30 September 2021 for information on the recurrent related party transactions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

There are no individuals standing for election/appointment as Directors at the Twenty-Fourth AGM.

The Directors who are standing for re-election are Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah whose profiles are set out on pages 4 and 6 respectively of the 2021 Annual Report.



PROXY FORM

*I/We _____ Tel: _____
[Full name in block, NRIC/Registration No.]

of _____

being member(s) of Ucrest Berhad, hereby appoint: -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

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 Twenty-Fourth Annual General Meeting of the Company to be conducted entirely through live streaming from the broadcast venue at Ucrest's Headoffice at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 12 November 2021 at 11.00 a.m. and at any adjournment thereof, and to vote as indicated below: -

Item	Agenda		*For	*Against
ORDINARY BUSINESS				
1.	Approval of Directors' Fees for the financial year ending 31 May 2021	(Resolution 1)		
2.	To re-elect Abdul Razak bin Dato' Haji Ipap who retires under Clause 76 (3) of the Company's Constitution.	(Resolution 2)		
3.	To re-elect Dato' Dr. Mohd Fikri Bin Abdullah who retires under Clause 76 (3) of the Company's Constitution.	(Resolution 3)		
4.	To re-appoint Messrs UHY as Auditors of the Company and to authorize the Directors to fix their remuneration.	(Resolution 4)		
AS SPECIAL BUSINESS				
5.	To authorise Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	(Resolution 5)		
6.	To approve Thong Kooi Pin to continue in office as Independent Non-Executive Director	(Resolution 6)		
7.	To approve Abdul Razak Bin Dato' Haji Ipap to continue in office as Independent Non-Executive Director	(Resolution 7)		
8.	Proposed New and Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	(Resolution 8)		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this _____ day of _____ 2021.

Signature of Shareholder/Common Seal
Contact No.

*** Manner of execution:**

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

- For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 3 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/lits behalf.
- A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General 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.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is Wednesday, 10 November 2021 at 11.00 a.m.

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AFFIX
STAMP

THE SHARE REGISTRAR
UCREST BERHAD [199701004560 (420056-K)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
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