M N C Wireless Berhad
Company No. 635884-T

Annual Report 2019

Your partner in digital and mobile marketing solutions

ANNUAL REPORT **2019**

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Corporate Information

Board of Directors

WONG KOK SEONG
Chairman, Senior Independent
Non-Executive Director

THU SOON SHIEN
Independent
Non-Executive Director

TAN CHOR HOW CHRISTOPHER
Chief Executive Officer cum
Executive Director

PANG SIAW SIAN
Non-Independent
Non-Executive Director

DATO' KUA KHAI SHYUAN
Independent
Non-Executive Director

Audit Committee

Thu Soon Shien
Chairman

Wong Kok Seong
Member

Dato' Kua Khai Shyuan
Member

Remuneration Committee

Wong Kok Seong
Chairman

Thu Soon Shien
Member

Nomination Committee

Wong Kok Seong
Chairman

Thu Soon Shien
Member

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)
SSM Practising Certificate
No. 201908001272

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7725 1777
Fax : +603 7722 3668

HEAD OFFICE, PRINCIPAL PLACE OF BUSINESS AND R&D CENTRE

100-3.011, Block J, 129 Offices
Jaya One, No 72A, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7491 1880
Fax : +603 7491 1899
Email : info@mnc.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel : +603 2084 9000
Fax : +603 2094 9940; 2095 0292

PRINCIPAL BANKER

CIMB Bank Berhad
Menara SBB
83 Medan Setia 1
Plaza Damansara
Bukit Damansara
50490 Kuala Lumpur, Malaysia
Call Centre : 1300 885 300
Fax : +603 2710 4840

AUDITORS

Ong & Wong Chartered Accountants
Unit C-20-5, 20th Floor
Block C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Tel : +603 2161 1000
Fax : +603 2166 9131

STOCK EXCHANGE

ACE Market of Bursa Malaysia
Securities Berhad
Ordinary Shares
Stock Name : MNC
Stock Code : 0103
Warrants A
Stock Name : MNC-WA
Stock Code : 0103WA

WEBSITE

www.mnc.com.my

Corporate Structure

M N C Wireless Berhad

The public listed entity with technology, R&D, product innovation, development & distribution centre

100%
MOBLIFE.TV SDN BHD
(Incorporated in Malaysia)

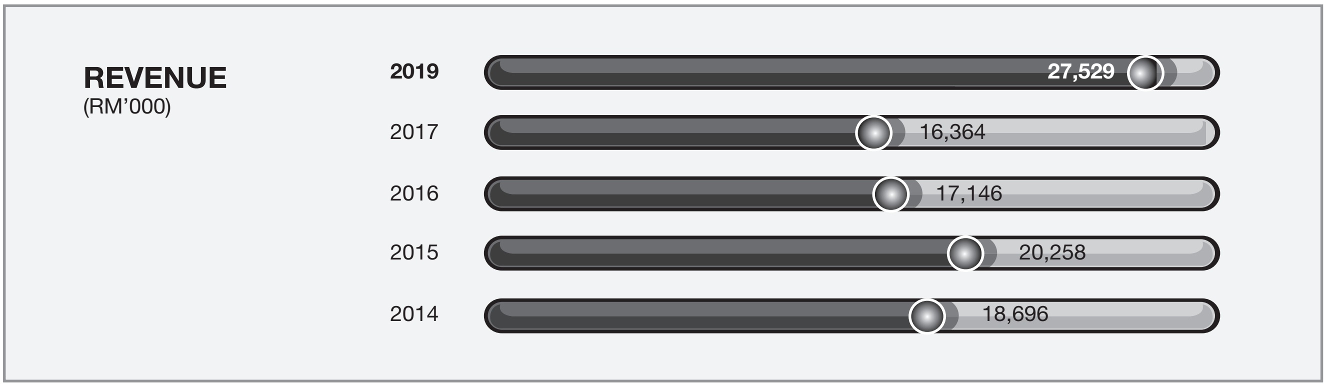
100%
DIGITAL KUNG-FU SDN BHD
(Incorporated in Malaysia)

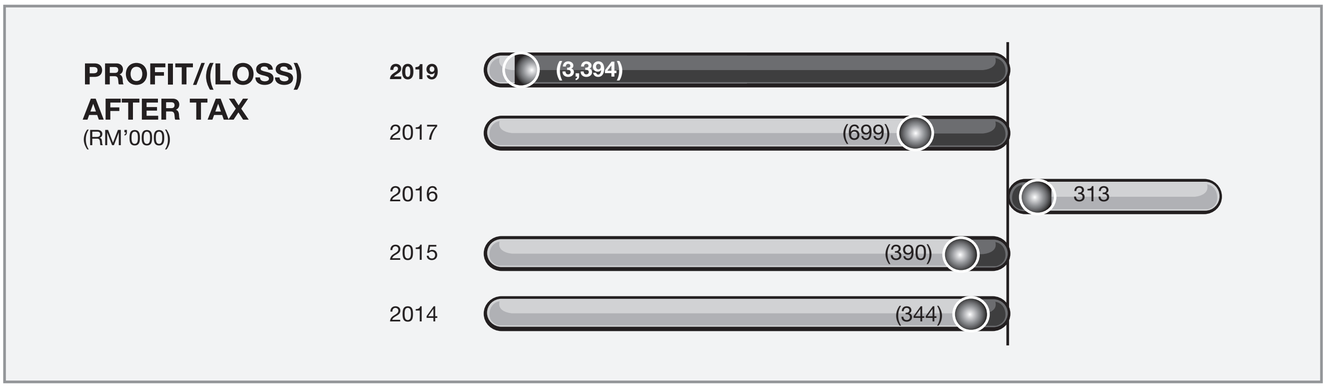
100%
WOWLOUD SDN BHD
(Incorporated in Malaysia)

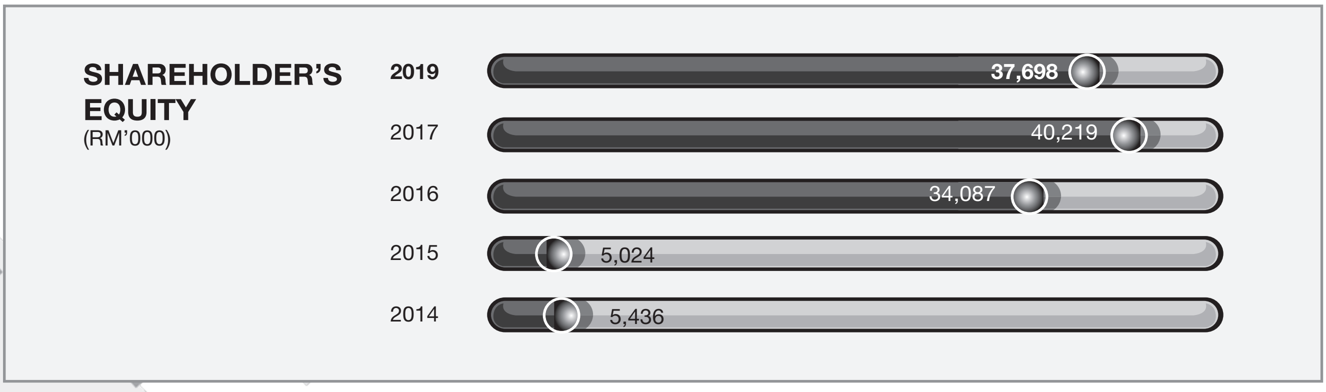
100%
JOORS ASIA SDN BHD
(Incorporated in Malaysia)

Group Financial Review

	2014	2015	2016	2017	2019
Revenue (RM'000)	18,696	20,258	17,146	16,364	**27,529**
Profit/(Loss) After Tax (RM'000)	(344)	(390)	313	(699)	**(3,394)**
Shareholders' Equity (RM'000)	5,436	5,024	34,087	40,219	**37,698**
Net Asset per share (sen)	5.80	5.32	9.02	8.41	**7.88**
Earnings/(Loss) per share (sen)	(0.36)	(0.41)	0.23	(0.16)	**(0.52)**







Board of Directors' Profile

Tan Chor How Christopher
Chief Executive Officer cum Executive Director
Key Senior Management
Malaysian, Male, Aged 39

Mr. Tan Chor How Christopher was appointed to the Board as Chief Executive Officer cum Executive Director on 1 June 2015. Mr. Christopher graduated with a Bachelor of Commerce (Accounting) degree in 2002 from The University of Adelaide, South Australia and completed his Certified Credit Professional - Business Credit certification from Institute Bank - Bank Malaysia (IBBM) in 2005.

Mr. Christopher has over 11 years banking career with international banks, spanning across Commercial/Consumer Banking Divisions and Branch Management in Malaysia. He was mainly involved in business development, portfolio management and sales management, providing financing and liquidity management solutions, for companies operating across diverse industries ranging from property development, infrastructure works, renewable energy, O&G, IT, marine, trading, manufacturing etc. In addition, he has experience with Branch Management (Sales Channel, Operations and Compliance) and consumer banking product and services (deposits, mortgage, bank assurance, credit cards, personal loans etc).

Mr. Christopher currently also serves as Executive Director cum Chief Executive Officer of PDZ Holdings Bhd., a container liner business company. He presently sits on the board of several private limited companies.

Mr. Christopher has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 April 2019.

He attended all five (5) Board Meetings of the Company held during the financial period.

Dato' Kua Khai Shyuan
Independent Non-Executive Director
Member of Audit Committee
Malaysian, Male, Aged 35

Dato' Kua Khai Shyuan was first appointed to the Board as an Executive Director on 8 April 2015 and was subsequently re-designated to Non-Independent Non-Executive Director on 10 August 2015. On 30 September 2017, Dato' Kua was re-designated to Independent Non-Executive Director of the Company. Dato' Kua graduated from Curtin University of Technology in 2006 with a Bachelor's Degree in Commerce Management and Marketing.

In 2007, he was holding the position as Regional Manager for Malaysia Region in a Multinational healthcare company where he is responsible for the management of the overall mobile sales team as well as the supply chain management of the company's products range. In 2009, he joined a Malaysian based company specializing in the fabrication of plastic moulds and plastic injection molding as the Head of Marketing Division.

Dato' Kua currently serves as an Executive Director in DGB Asia Berhad and Trive Property Group Berhad where his role includes assisting the Group Managing Director in charting the overall strategy and direction of the Group as well as customer relationship management. He is also a Non-Independent Non-Executive Director of Metronic Global Berhad. In addition, he also currently sits on the board of several private limited companies.

Dato' Kua has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 April 2019.

He attended four (4) out of five (5) Board Meetings of the Company held during the financial period.

Pang Siaw Sian
Non-Independent Non-Executive Director
Malaysian, Female, Aged 32

Ms. Pang Siaw Sian was first appointed to the Board as an Independent Non-Executive Director on 8 April 2015 and was subsequently re-designated to Executive Director on 26 May 2015. On 30 September 2017, Ms. Pang has re-designated to Non-Independent Non-Executive Director of the Company. She holds a Bachelor of Arts (Hons) in International Hospitality Management from Bournemouth University in United Kingdom.

Ms. Pang started her career with a public listed company in 2010 as a Personal Assistant to a Managing Director where she supports top-level executive in strategic planning, market analysis, research and business plan to address future prospects of the company. She later pursued her career with a financial institution in 2012 as the Regional Sales Manager in Mortgage Division. With her exceptional results, she was awarded with the recognition as the Nationwide Best Award in 2013. She expanded customers and business partners database to overseas by proactively involved in major properties development events. She has also provided credit assessment and professional advices on customer's investments decisions.

Ms. Pang does not hold directorships in any other public companies and listed issuer. She has no conflict of interests with the Company and any family relationship with any Directors and/or major shareholders of the Company. She has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 April 2019.

She attended four (4) out of five (5) Board Meetings of the Company held during the financial period.

Thu Soon Shien
Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee
Malaysian, Male, Aged 38

Mr. Thu Soon Shien was appointed to the Board as an Independent Non-Executive Director on 8 April 2015. Mr. Thu is a member of the Malaysian Institute of Accountants (MIA) and a member of the Association of Chartered Certified Accountants, UK (ACCA). He is an accountant by profession with more than ten (10) years of experience.

He started his career in 2004 as a junior associate with an established audit firm and is currently an Audit Principal in Messrs. Hasnan THL Wong & Partners. He has extensive experience in carrying out audit work for major companies in manufacturing, construction, property development, servicing and trading sectors amongst others. He was also involved in various corporate advisory services which includes due diligence and share valuations as well as taxation, company secretarial and internal audit.

Mr. Thu is currently the Alternate Director of PNE PCB Berhad. He does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interests with the Company.

On 4 December 2017, Mr. Thu was publicly reprimanded by the Securities Commission Malaysia with a fine of RM539,000 for breaching of the Securities Industry (Compliance with Approved Accounting Standards) Regulations and Capital Markets and Services Act 2007 in relation to his former directorship in Trive Property Group Berhad.

He attended all five (5) Board Meetings of the Company held during the financial period.

Wong Kok Seong
Chairman
Senior Independent Non-Executive Director
Member of Audit Committee
Chairman of Remuneration Committee
Chairman of Nomination Committee
Malaysian, Male, Aged 50

Mr. Wong Kok Seong was appointed to the Board as an Independent Non-Executive Director on 8 April 2015 and was later appointed as the Chairman of the Board on 19 May 2015. He was identified as the Senior Independent Non-Executive Director on 26 May 2015. Mr. Wong is a Chartered Accountant and holds a Masters of Business Administration from Open University, United Kingdom. He is a member of the Malaysian Institute of Accountants (MIA) and also a Fellow Member of the Association of Chartered Certified Accountants (FCCA).

Having spent 15 years in the United Kingdom, Mr. Wong has gained extensive exposure with a United Kingdom accounting firm, Appleby & Wood, where he was an audit partner from 1999 to 2005. His experience extended to multinational companies where he was appointed as Finance Director for several UK-based companies. During his tenure there, he was responsible for the preparation of business plans, budgets and organisational financial statements, due diligence, accounting & taxation, management, project financing and implementation.

On his return to Malaysia in 2006 and upon obtaining his audit license, he joined an audit firm Messrs. Hasnan THL Wong & Partners, and is currently its Managing Partner. He is also made a partner in another audit firm in Malaysia. Over the last few years, he has extensively been involved in a wide range of businesses, such as cross border trading, manufacturing and property development. His experience includes accounting & taxation, due diligence, management consultancy, project financing and implementation.

Currently, Mr. Wong is an Independent Non-Executive Director of PNE PCB Berhad. He does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interests with the Company.

On 4 December 2017, Mr. Wong was publicly reprimanded by the Securities Commission Malaysia with a fine of RM539,000 for breaching of the Securities Industry (Compliance with Approved Accounting Standards) Regulations and Capital Markets and Services Act 2007 in relation to his former directorship in Trive Property Group Berhad.

He attended all five (5) Board Meetings of the Company held during the financial period.

Key Senior Management's Profile

Hooi Hing Chuan
Chief Technology Officer
Malaysian, Male, Aged 49

Mr. Hooi Hing Chuan first joined the Company in 2002 as a Technical Manager and was subsequently promoted to Chief Technology Officer in 2008. He is responsible for overseeing and managing the Enterprise Solutions teams while providing the team with technical advice and support in designing solutions architectures.

Mr. Hooi graduated with a Bachelor of Science majoring in Computer Science and Information Technology from the University of Western Australia with commendable technical background in Web application developments, Windows application programming, TCP/IP socket programming, database connectivity and computer hardware.

Mr. Hooi began his career as an Analyst Programmer and was subsequently promoted to Application Specialist with BASS Consulting Sdn. Bhd. His major contribution was in designing and development of front-end/back-end stand alone and web-based applications for various stock-broking companies. Prior to joining the Company, he was a Consultant with Logica (Malaysia) Sdn. Bhd., a solutions telecommunications company. His portfolio includes the Geneva Migration Project for PT Telekomikasi Selular of Indonesia, the development of a FTP manager module for Digitel Telecommunications Philippines Inc, and the development of a web-based pre-paid demonstration application for TA-Orange of Thailand.

Mr. Hooi does not hold any directorships in public companies and listed issuers. He has no conflict of interests with the Company and any family relationship with any Director and/or major shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 April 2019.

Management Discussion and Analysis

On behalf of the Board of Directors of M N C Wireless Berhad ("MNC"), Management presents to you our Annual Report and the Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial period ended 30 April 2019.

For the period under review, the Group's ongoing strengthening of operational efficiency and enhanced customer acquisition activities have enabled the Group to grow its market share of its core business as it gears itself to face stiff competition from the industry.

This has allowed the Group to operate with improved focus to be in a better position to take advantage of the opportunities which arises.

Company's Performance

The Group registered higher sales compared to the previous year, on the back of heightened marketing initiatives with continued finetuning and streamlining of operations amid an ever-challenging economic climate, with higher revenue from wireless, mobile applications and multi-media related services, compared to the previous financial year.

Higher customer acquisition and operating cost such as higher depreciation, staff cost, amongst others, has contributed to lower profit levels compared to the previous years. Nevertheless, business performance will be further strengthened with continuing collaborative efforts with business partners for customer acquisition, coupled with further streamlining operational and customer acquisition activities, in servicing established clientele operating across diverse industries from its core business segments of mobile/wireless application services and multimedia related services.

Business and Operational Review

The Group's infrastructure and operational efficiency enhancement on its core business continued to bear fruits with higher sales level, compared to the previous financial year, amid a challenging economic environment.

Potential factors which may negatively impact the Group's business segment performance would be stability of internet connectivity and messaging platforms supported by the industry. Nevertheless, this has continued to show improvements and enhancements by industry players, thereby mitigating further potential risk of network deliverables.

Go!SMS, the Group's enterprise based mobile messaging platform, continued to register healthy growth levels with enhanced messaging platform efficiencies and capacity with higher non-financial indicator of messaging volume sent through the platform.

The Group's reverse billing platform services, Go!CPA, which supports premium billing through SMS, continued to register stable growth on the back of continuous efforts of customer acquisition with close collaboration with business partners, had led to improving non-financial indicators of higher number of customers secured using the platform.

Further activities to drive digital marketing segment, which assist our clients in brand building and operational efficiencies, continued to show encouraging results with launch of various new mobile and web applications.

Outlook and Group Prospects

Increasing demand for mobile and digital applications and its multimedia related services, is expected to trend upwards, thereby contributing positively to the business segments that the Group operates within, with increasing trend of digital marketing environment, being embraced by consumers and business units.

The Group, continues to remain upbeat in development of its mobile and digital marketing initiatives, with support from business partners and clients, to meet market trends, with the Group's bespoke IT solutions.

All of which, augurs well for the Group's top line and bottom line financial performance with on-going strategic business planning for increased operational efficiency and reaching out to clients to service their needs.

On-going strategic partnerships with business partners will add to future sustainable growth for the Group, with the following collaborative initiatives:

- Memorandum of Understanding signed with M3 Technologies (Asia) Berhad on 12 April 2017, for the development of a Business-to-Business focused trading platform for manufacturers to connect with international buyers, and a Consumer-to-Consumer focused trading platform supporting smaller-scale entrepreneurs to sell through online platforms, with integrated payment gateway solutions and end-to-end logistics support.

- Memorandum of Understanding signed with Sanichi Property Sdn. Bhd. on 15 January 2018, for the purpose of:
  i. Online leasing or short-term luxury rental service for 120 units of Marina Point, Melaka; and
  ii. Creating and operating an online marketing or community marketplace for public to book luxury homestay.

- Memorandum of Understanding signed with Urban Setup Sdn. Bhd. on 15 July 2019, for the purpose of providing a transparent, secured and convenient mobile physical gold retail platform in Malaysia. Urban Setup Sdn. Bhd. is the licensee of the rights to the physical gold retail platform of SGPMX (M) Sdn. Bhd.

Other initiatives as outlined in the previous and on-going corporate development exercise, will allow the Group to further expand downstream into related business activities, namely mobile gaming applications, bespoke management platforms, provision of authentication tool for online transactions, supply of advertising display panels, and increasing market presence across the country.

Sustainability Statement

M N C Wireless Berhad and its subsidiaries ("MNC" or "the Group") aims to conduct its business in a sustainable manner which focuses to outline the key Economic, Environmental, Social and Governance aspects that are material to the continued success of the Group's strategies and business operations, maintaining high standards of conduct and maximising long-term value creation for the benefit of our stakeholders.

This Sustainability Statement is prepared in accordance with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide. This Sustainability Statement outlines the Group's sustainability activities with respect to the following core areas throughout the financial period under review:-

ECONOMIC SUSTAINABILITY

MNC is dedicated and committed to ensure the interest of all vital stakeholders such as shareholders, employees, business partners, customers, suppliers, government bodies and local communities, are taken into consideration. The Group is held to the same standard in its compliance with all applicable legal and regulatory requirements.

Shareholders

The Group ensures its corporate website provides latest corporate news of the Group, which includes relevant announcements, financial results and other development with the objective to provide timely information to our various stakeholders of the Group. Furthermore, shareholders have the opportunity to raise questions and seek clarifications on our Group's business operations, financial performance, business strategies and future planning during yearly Annual General Meetings.

Customers

The Group's business activities are consistently aligned to the needs of its customers. Customer loyalty and satisfaction are critical success factors for MNC. The Group strives for long-term partnerships based on mutual trust and respect. With innovative technologies, dependable products and excellent services, MNC provides customers with solutions that contribute in turn to their success.

Suppliers

Suppliers are regularly reviewed to ensure value creation, on-time delivery, quality and timely response.

In the marketplace, the Group maintains high level of corporate governance through transparent reporting and compliance with applicable laws and regulations as well as ethical procurement practices. Moving forward, the Group strives to support more Corporate Social Responsibility initiatives for local communities at large as part of its commitment to be a responsible corporate citizen.

ENVIRONMENT SUSTAINABILITY

The Group does not operate in an environmentally sensitive business. However, we recognize our duty to minimize carbon footprint to the environment and has identified opportunities to reuse and recycle or minimize the resources it consumes in caring for the environment.

As MNC is operates in the Information Technology and Digital Solutions industry, employees are encouraged to fully maximise the benefits of Information Communications Technology such as e-mails, instant messaging, newsletters via email broadcasting, e-greeting cards, for communications, in addition to reducing our energy consumption through switching off unused lights and air conditioning and our paper management initiatives to print only when absolutely necessary, recycling of used printed paper and other items where possible.

SOCIAL SUSTAINABILITY

The Workplace

The Group believes that quality and conductive working environment would raise efficiency and productivity as well as improving the overall quality of employees. As such, we continuously create a safe, pleasant and conductive working environment for our people and promote employee safety, well-being and gender diversity.

The Employees

The Group has demonstrated responsibility in the workplace through the support of human capital development for its employees by providing continuous training and development to enhance its employees' career and personal development. This is in addition to offering attractive and competitive pay package to all its team members. Others than benefits that are mandated and defined by local legislation, the Group also take care of the health and well-being of our employees with Group Personal Accident Insurance, Group Hospitalisation and Surgical Insurance coverage and other medical benefits.

The Group do not condone any form of prejudice or discrimination in the workplace and as part of its Code of Conduct & Ethics, the Group adopts a policy that all employees are treated fairly and equally without regard to race, creed, religion, gender, nationality, age or disability.

The Community

The Group recognise that we can make a positive impact to the community by giving financial and other resources towards meaningful causes. During the financial period, MNC had continued to take in students from local institutions, colleges and/or universities as trainees. This practice has allowed the Group to discover talented candidates to work with us as well as supporting the Malaysian educational system for human capital development.

CONCLUSION

Moving forward, the Group is committed to understand and implement sustainable practices across its business operation whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders, and economic success.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of M N C Wireless Berhad ("MNC" or "the Company") acknowledges the importance of maintaining good corporate governance in the Company and its subsidiaries ("the Group") and is committed to ensure that the principles and best practices of corporate governance as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code") are being observed.

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2019 ("CG Report"), based on a prescribed format as enumerated in Rule 15.25(2) of the ACE Market Listing Requirements ("ACE Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the Code throughout the financial period ended 30 April 2019 ("FPE 2019"). The CG Report is available on the Company's website at www.mnc.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board's Leadership on Objective and Goals

1.1 The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership including practicing a high level of good governance to ensure long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and responsibilities, the Board is governed by its Board Charter, outlining the roles and responsibilities and applicable limits, including those reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the Chief Executive Officer cum Executive Director ("CEO cum ED") and the Management. The Board Committees comprise of Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC") respectively. The Terms of Reference of the respective committees are available on the Company's website at www.mnc.com.my.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, the Board has, amongst others:-

- promoted good corporate governance culture within the Group which reinforces ethical, prudent and professional conduct;
- reviewed, challenged and decided on Management's proposals for the Group, and monitor its implementation;
- ensured that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- assessed Management performance;
- ensured there is a sound framework for internal controls and risk management;
- recognised the principal risks of the Group's business and that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensured that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensured that Senior Management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and Senior Management;
- ensured that the Group has in place procedures to enable effective communication with shareholders and stakeholders; and
- ensured the integrity of the Group's financial and non-financial reporting.

<u>PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)</u>

PART I- BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objective and Goals (cont'd)

1.2 The Chairman of the Board, Mr. Wong Kok Seong, holds a Senior Independent Non-Executive position and is primarily responsible for the leadership, effectiveness, conduct and governance of the Board.

The responsibilities of Chairman, amongst others, including the following:-

- To provide leadership to the Board.
- To oversee the effective discharge of the Board's supervisory role.
- To facilitate the effective contribution of all Directors.
- To conduct and chair Board meetings and general meetings of the Company.
- To ensure Board meetings and general meetings are in compliance with good conduct and best practices.
- To manage Board communications and Board effectiveness and effective supervision over Management.
- To promote constructive and respectful relations between Board members and between the Board and the Management.
- To ensure that quality information to facilitate decision-making is delivered to the Board on timely manner.
- Together with the CEO cum ED, represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

1.3 The position of the Chairman and CEO cum ED are held by two different individuals and each has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitate constructive deliberation of matters in hand, whilst the CEO cum ED leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board's policies and decisions.

1.4 The Board is supported by a suitably qualified and competent Company Secretary. The Company Secretary is a member of the Malaysian Association of Company Secretaries and is holding a professional certificate as qualified Company Secretary under the Malaysian Companies Act 2016. The Company Secretary possesses over 25 years of experience in corporate secretarial practices and is supported by a team of competent company secretarial personnel.

The Company Secretary has –

- together with Management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications;
- advised the Board on its roles and responsibilities;
- advised the Board on corporate disclosures and compliance with Company and Securities Commission's regulations and ACE Market LR;
- managed processes pertaining to the general meetings; and
- monitored corporate governance developments and advised the Board on governance practices.

The Company Secretary had and will continue to keep herself abreast on matters concerning company law, corporate governance, and other pertinent matters, and with changes in the same regulatory environment, through continuous training and industry updates.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of her duties and functions.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I- BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objective and Goals (cont'd)

1.5 To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with the scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting ("AGM") as well as the closed periods for dealings in securities by Directors and principal officers of the Company based on the targeted dates of announcements of the quarterly results.

The notice of meetings of the Board and Board Committees are sent to the Directors via email at least five (5) working days prior to the date of the meetings. The same notification is sent to the Management that is invited to the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure that they have been given sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and decisions of matters discussed at the Board and Board Committees meetings are duly recorded and well documented in the minutes of meetings, including matters where Directors abstained from voting or deliberation. The minutes of meetings are circulated to the respective Board and Board Committee for review in a timely manner before they are finalised and tabled at the next meeting for confirmation.

2. Demarcation of Responsibilities Between the Board, Board Committees and the Management

2.1 The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors and the functions of the Board Committees. The Board Charter is available on the Company's website at www.mnc.com.my.

The Board Charter clearly sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and CEO cum ED, as well as issues and decisions reserved for the Board, the Board's governance structure and authority.

The Board Charter will be reviewed by the Board as and when necessary to ensure it is up to date and remains consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework.

3. Good Business Conduct and Healthy Corporate Culture

3.1 The Company has in place a Code of Ethics and Conduct for Directors and employees of the Group which is available on the Company's website at www.mnc.com.my. A brief Code of Ethics and Conduct is also incorporated in Part 4 of the Board Charter.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

The Board is committed in maintaining a corporate culture that engenders ethical conduct. All Directors and employees of the Group are to adhere to the Code of Ethics and Conduct and make necessary declaration if there is any conflict of interests.

3.2 The Group has put in place a Whistleblowing Policy that fosters an environment in which integrity and ethical behaviour are maintained through protocols which allow for the exposure of any violations or improper conduct or wrongdoing within the Group.

The Whistleblowing Policy provides an avenue for employees to report any misconduct, breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.

The Whistleblowing Policy is published on the Company's website at www.mnc.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

4. Board's Objectivity

4.1 The composition of the Board complies with Rule 15.02 of the ACE Market LR, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are Independent Directors. Currently, the Board has five (5) members and more than half of the Board comprises of Independent Non-Executive Directors as follows:-

	Names	Designations
1.	Wong Kok Seong (Chairman)	Senior Independent Non-Executive Director
2.	Thu Soon Shien	Independent Non-Executive Director
3.	Dato' Kua Khai Shyuan	Independent Non-Executive Director
4.	Pang Siaw Sian	Non-Independent Non-Executive Director
5.	Tan Chor How Christopher	CEO cum ED

4.2 The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) year term, an Independent Director may continue to serve on the Board subject to the said Director's redesignation as a Non-Independent Director.

There is no Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

4.3 The Company has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of independence of Independent Non-Executive Directors was conducted annually via Annual Evaluation of Independence of Director to ensure that they were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

4.4 The Board recognises that a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.

The Board appoints its members through a formal and transparent selection process. In making a recommendation to the Board on the candidates for directorship, the NC will consider and nominate the candidates based on the objective criteria, including:-

(a) skills, knowledge, expertise and experience;
(b) professionalism;
(c) integrity; and
(d) in the case of candidates for the position of Independent Non-Executive Directors, the NC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In this respect, the role of the NC is detailed in its Terms of Reference, which is accessible on the Company's website, www.mnc.com.my.

The Board also via the NC, reviews the correct mix of skills, business and professional experiences that should be added to the Board annually or as and when required.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (cont'd)

4.5 The Board has adopted a Gender Diversity Policy on 26 April 2019 which provides a framework for the Company to improve its gender diversity at Board level.

The objectives and principles as well as measures as set out in the Gender Diversity policy are as summarised below:-

Objectives/Principles

a. The Company acknowledges the importance of gender diversity at Board level as it is one of the essential elements contributing to the sustainable development of the Company. To avoid any mismatch and ineffective appointment of Directors, the Company does not set any specific target on the gender composition of its Board.

b. The Policy is aligned with the Company's objectives and principles. It provides a framework for the Company to achieve a diverse and skilled workforce at the Board level and lead the Board to be more effective in dealing with corporate goals and organisational changes. The Policy focuses on identifying and balancing the different skills and industry experience, background, gender and age of Directors in achieving gender diversity on Board.

Measures

To pursue the objectives of gender diversity, the Board would take into consideration the following measures:

a. The NC shall nominate the potential candidate to the Board based on a broad spectrum of perspectives, including but not limited to education background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.

b. The NC is responsible in ensuring that gender diversity objective is adopted in the Board recruitment and succession planning processes.

c. The Company shall adopt a more accommodating boardroom culture and environment that is free from discriminations to attract and retain women participation at the Board level.

d. The Company will undertake the following strategies to promote its gender diversity at Board level:

- recruiting from a diverse pool of candidates;
- reviewing succession plans to ensure an appropriate focus on gender diversity;
- identifying specific factors to take into account the recruitment and selection processes to encourage gender diversity; and
- any other strategies the Board may develop from time to time.

The Board practises non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and senior management positions of the Company. Currently, there is a female Director on the Board, namely, Ms. Pang Siaw Sian, representing 20% of the Board size.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (cont'd)

4.6 The policies and procedures for recruitment and appointment of Directors are guided by the Terms of References of NC.

The NC leverages on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and major shareholders, the Board also refer to the potential candidate from the industry taking into consideration the education, skills and experience background.

4.7 The NC is chaired by Mr. Wong Kok Seong, a Senior Independent Non-Executive Director of the Company. The NC Chairman has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The NC comprises of the following members, all being Independent Non-Executive as identified by the Board:-

Name of Directors	Designations
Wong Kok Seong (Chairman)	Senior Independent Non-Executive Director
Thu Soon Shien (Member)	Independent Non-Executive Director

The activities undertaken by the NC during the FPE 2019 are as follows:-

- Assessed and evaluated the independence of the Independent Directors.
- Assessed and rated the performance of each Independent Director against the criteria as set out in the evaluation form, amongst others, attendance at Board and/or Board Committees meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.
- Assessed and rated the performance of the Executive Directors against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, technology and product development, business acumen, conformance and compliance, shareholders'/investors' relations, employee training and development, succession planning and personal input to the role.
- Reviewed and assessed the performance of the AC.
- Reviewed and recommended to the Board the re-election of Mr. Thu Soon Shien and Dato' Kua Khai Shyuan who retired by rotation pursuant to Article 92 of the Company's Constitution at the last AGM held on 22 June 2018.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

5.0 Overall Effectiveness of the Board and Individual Directors

5.1 The Board has, through the NC, conducted annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FPE 2019. The process was carried out by sending the following customised assessment forms to Directors:-

i. Performance of CEO cum ED;
ii. Performance of Non-Executive Directors;
iii. Independence of the Independent Directors;
iv. Performance of the AC; and
v. Effectiveness of the Board and Board Committees as a whole.

The assessment criteria that based on the Key Performance Indicators covers the financial performance and business operations, strategic, operations management and business plans, product development, conformance and compliance, stakeholders' relation, succession planning, attendance, preparation and contribution to the committee meetings.

The completed assessment forms for the FPE 2019 were collated by the Company Secretary and tabled to the NC for review before tabling the same for the Boards' deliberation/notation.

Based on the evaluations conducted in the FPE 2019, the NC and the Board were satisfied with the performance of the individual Directors, Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FPE 2019, the Board had conducted five (5) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategic, operational and financial performance.

The attendance record of each Board member at the Board meetings held during the FPE 2019 are as follows:-

Name of Directors	Designations	Attendance
Wong Kok Seong	Senior Independent Non-Executive Director	5/5
Tan Chor How Christopher	CEO cum ED	5/5
Pang Siaw Sian	Non-Independent Non-Executive Director	4/5
Thu Soon Shien	Independent Non-Executive Director	5/5
Dato' Kua Khai Shyuan	Independent Non-Executive Director	4/5

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

5.0 Overall Effectiveness of the Board and Individual Directors

5.1 The Board has, through the NC, conducted annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FPE 2019. The process was carried out by sending the following customised assessment forms to Directors:- (cont'd)

Directors' Trainings

During the FPE 2019, all Directors had attended the following training programmes in compliance with Rule 15.08 of the Bursa Securities ACE Market LR:-

Name of Directors	Trainings attended
Wong Kok Seong	• The New Constitution under the Companies Act 2016 • Detailed Analysis and Application of the Three New Standards: MFRS 9, MFRS 15 and MFRS 16
Tan Chor How Christopher	• Corporate Governance Briefing Sessions: MSSG Reporting & Corporate Governance Guide • Gearing up for Corporate Liability • The Malaysian Financial Reporting Standards 9 and 15 • The New Constitution under the Companies Act 2016 • Detailed Analysis and Application of the Three New Standards: MFRS 9, MFRS 15 and MFRS 16 • Revisiting the Misconception of Board Remuneration
Pang Siaw Sian	• The New Constitution under the Companies Act 2016
Thu Soon Shien	• GST to SST: Mechanism and Transitional Issues • Tech & Audit: A Practitioners New Reality • The New Constitution under the Companies Act 2016 • 2019 Budget Seminar • Detailed Analysis and Application of the Three New Standards: MFRS 9, MFRS 15 and MFRS 16
Dato' Kua Khai Shyuan	• The New Constitution under the Companies Act 2016

The Board has on a continuous basis, evaluate and assess the training needs of each Director to keep them abreast with the state of economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III – Remuneration

6. Level and Composition of Remuneration

6.1 The Board acknowledges the important of fair remuneration in attracting, retaining and motivating Directors and Senior Management. Hence, a Remuneration Policy was adopted by the Board on 26 April 2019.

The Remuneration Policy is available for reference on the Company's website at www.mnc.com.my.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

a. fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;

c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

d. salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The remuneration is reviewed by the RC on an annual basis prior to making its recommendations to the Board for approval. In its review, the RC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance.

6.2 The Board has an RC that assists the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is also responsible to ensure that the remuneration packages commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.

The RC has a detailed Terms of Reference in writing which is accessible on the Company's website at www.mnc.com.my.

The Board is satisfied that the RC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III – Remuneration

7. Remuneration of Directors and Senior Management

7.1 The remuneration payable to the Directors on the Company and the Group basis for the FPE 2019 is same as follows:-

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Other Benefits # RM	Total RM
The Company and Group Level							
Tan Chor How Christopher	–	320,000	–	–	–	70,860	390,860
Wong Kok Seong	40,000	–	–	3,000	–	–	43,000
Thu Soon Shien	32,000	–	–	3,000	–	–	35,000
Dato' Kua Khai Shyuan	48,000	–	–	3,000	–	–	51,000
Pang Siaw Sian	80,000	–	–	3,000	–	–	83,000
TOTAL	**200,000**	**320,000**	**-**	**12,000**	**-**	**70,860**	**602,860**

Note:

Other benefits include Defined Contribution Plan and travelling and meal allowances.

The Board determines the fees and benefits of all Directors, including the Non-Executive Directors. The Director's fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

7.2 The remuneration of the Senior Management of the Company is as follows:-

Range of Remuneration	No. of Senior Management Officer
Below RM50,000	–
RM150,001 to RM200,000	2
RM200,001 to RM250,000	1
RM250,001 to RM350,000	1
TOTAL	**4**

Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AC

8. Effective and Independent AC

8.1 The positions of Chairman of the Board and Chairman of AC are assumed by two different persons. The Chairman of the Board is Mr. Wong Kok Seong, while the Chairman of the AC is Mr. Thu Soon Shien, both are Independent Non-Executive Directors of the Company. This had ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.

The separation had been set out clearly in the Terms of Reference of the AC which is assessible on the Company's website at www.mnc.com.my.

8.2 Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.

The AC has in place a policy that requires a former key partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. The policy had been codified in the Terms of Reference of AC of the Company.

8.3 The Board had on 26 April 2019 established the External Auditors Assessment Policy ("the Policy") together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The AC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC carried out annual performance assessment of the External Auditors and requested the Executive Director(s) and Management to join the assessment.

8.4 The AC comprises solely of the following Independent Non-Executive Directors:-

(a) Mr. Thu Soon Shien (Chairman);
(b) Mr. Wong Kok Seong (Member); and
(c) Dato' Kua Khai Shyuan (Member).

8.5 The Chairman and members of the AC are financially literate and they are able to understand matters under the purview of the AC including the financial reporting process.

The NC would review the terms of office and performance of the AC members to determine whether they have carried out their duties in accordance with their Terms of Reference.

The AC members were invited to various training programmes to keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II RISK MANAGEMENT AND INTERNAL CONTROL

9. Risk Management and Internal Control Framework

9.1 The Board acknowledges its overall responsibilities in establishing a sound risk management framework and internal control system within the Group. The risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. It provides reasonable assurance against material misstatement of financial information and records or against financial losses or fraud.

9.2 The Board oversees the Group risk management framework and policies, ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets and determines the nature and extent of significant risks which it is willing to take in achieving its strategic objectives.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2019.

10. Effective Governance, Risk Management and Internal Control Framework

10.1 The internal audit function is outsourced to an independent professional consulting firm that assists the AC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors reports directly to the AC.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

The internal audit functions and activities carried out during the financial period ended 30 April 2019 are as disclosed in the AC Report of the Annual Report 2019.

10.2 The internal audit function for the Group is outsourced to Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen").

The internal audit assignment is led by a Senior individual in charge of the engagement and reports to the Executive Director of Wensen. The internal audit review is staffed by three (3) internal audit personnel including the Senior individual. The Internal Audit team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.

The Executive Director of Wensen is a Practising Member of the Institute of Singapore Chartered Accountants, Member of the Malaysian Institute of Accountants (MIA) and a Fellow Member of the Association of Chartered Certified Accountants (ACCA) of the United Kingdom.

The internal audit function is carried out in accordance with the International Professional Practices Framework set by the Institute of Internal Auditors to ensure that audit staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

11.1 The Company is committed to provide effective communication to its shareholders and general public regarding the business, operations and financial performance of the Group and hence, a Corporate Disclosure Policy has been adopted to ensure that the Company's communication with its shareholders and stakeholders is transparent and timely.

Quarterly results, announcements, analyst briefings, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, www.mnc.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

11.2 The Company is not categorised as "Large companies" under the MCCG and hence, has not adopted integrated reporting based on a globally recognised framework.

Part II – Conduct of General Meetings

12. Shareholders' Participation at General Meetings

12.1 The notice of the Fifteenth AGM ("15th AGM") of the Company which is scheduled to be held on 20 September 2019 was sent to the shareholders at least twenty-eight (28) days before the date of the 15th AGM this year.

The notice of the 15th AGM dated 22 August 2019 included the details of each proposed resolution to enable shareholders to have sufficient time to consider the resolutions and to make informed decisions in exercising their voting rights.

All resolutions set out in the notice of the AGM were put to vote by poll and the votes casted were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

12.2 All Directors of the Company including the Chairman of the AC, NC and RC had attended the Fourteenth AGM ("14th AGM") of the Company held on 22 June 2018.

During the proceedings of the 14th AGM, the Chairman invited the shareholders to raise any questions pertaining to the Company's audited financial statements and other agenda items tabled for approval at the meeting, before putting the resolutions to vote.

All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board committees will provide meaningful response to questions addressed to them.

12.3 Voting in absentia and remote shareholders' participation are currently not facilitated by the Company in view that the Company does not have a large number of shareholders and the Company's AGM are not held in remote locations.

Notwithstanding that, shareholders are encouraged to attend general meetings and are allowed to appoint proxy(ies) to attend, participate, speak and vote at the general meetings on their behalf and represent them.

Shareholders who have questions and queries are welcome to submit questions or engage with Management separately. Management will endeavour to respond within a reasonable time.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the Code, the relevant chapters of the ACE Market LR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FPE 2019.

Audit Committee Report

The Board of Directors ("the Board") of M N C Wireless Berhad ("MNC" or "the Company") is pleased to present the report of the Audit Committee ("AC") for the financial period under review. The primary objective of the AC is to assist the Board in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes, management and financial reporting practise.

COMPOSITION OF THE AC

The Composition of the AC is in compliance with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The AC comprises solely of Independent Non-Executive Directors.

The present members of the AC are as follows:

AC Members	Designation	Directorship
Thu Soon Shien	Chairman	Independent Non-Executive Director
Wong Kok Seong	Member	Senior Independent Non-Executive Director
Dato' Kua Khai Shyuan	Member	Independent Non-Executive Director

All members of the AC are financially literate. The Chairman, Mr. Thu Soon Shien is a member of the Malaysian Institute of Accountants (MIA) and a member of Association of Chartered Certified Accountants, UK (ACCA).

The Chairman of the AC is not the Chairman of the Board, this is in line with the Malaysia Code on Corporate Governance ("MCCG"). To further strengthen the objectivity and independent of the AC and to be consistent under MCCG, the AC has adopted a policy whereby no former key audit partner shall be appointed as a member of the AC before observing a cooling-off period of at least two (2) years.

The Terms of Reference of the AC is available in the corporate website of the Company at www.mnc.com.my.

AC MEETINGS

During the financial period ended 30 April 2019, the AC held a total of eight (8) meetings and the details of the attendance of each AC member to the meetings are set out below:

AC Members	Meeting Attendance
Thu Soon Shien	8/8
Wong Kok Seong	8/8
Dato' Kua Khai Shyuan	7/8

The Group's Internal and External Auditors and other Senior Management also attended the AC meetings by invitation to provide clarification on the audit issues, Group's operations and any other matters of interests.

In carrying out its duties, the AC reported to and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made necessary recommendations to the Board.

Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for notation.

SUMMARY OF WORK

During the financial period ended 30 April 2019, the AC carried out the following activities in the discharge of its functions and duties:

Financial Reporting Oversight

(a) Reviewed the quarterly financial results, focusing particularly on significant changes, and ensure that the financial reporting and disclosure requirements of relevant authorities had been compliance with accounting standards, any changes in or implementation of accounting policies and practices, prior to submission to the Board for approval and release quarterly financial results to Bursa Securities; and

(b) Reviewed the audited financial statements with the Management and External Auditors that the audited financial statements were prepared in compliance with the provision of the Companies Act 2016; Malaysian Financial Reporting Standards; and the ACE Market Listing Requirements.

External Audit

(a) Discussed and reviewed with External Auditors on their audit review memorandum for the Group and the audit planning memorandum for the financial period ended 30 April 2019;

(b) Reviewed the results of the annual audit, their audit report and management letter, together with the Management's responses to the findings of the External Auditors prior to submission to the Board for approval;

(c) Reviewed and recommended the re-appointment of Messrs. Ong & Wong Chartered Accountants as the External Auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by them during their audit for financial period under review; and

(d) Met with the External Auditors separately without the presence of the Executive Directors and Management to make enquiries on any non-compliance disclosures encountered by the External Auditors during their audit.

Internal Audit

(a) Reviewed with the Internal Auditors on the internal audit report, their recommendations, the adequacy and efficiency of management's response to these recommendations; and

(b) Review and discussed the Enterprise Risk Assessment Report of the Group tabled by the Management, where the discussion included risk assessment, summary of action plans and manage the principal risks of the Group.

Related Party Transaction

(a) Reviewed any related party transactions and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises the questions on management integrity.

Other Matter

(a) Review the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and AC Report to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Company's Annual Report ; and

(b) Reviewed its Terms of Reference periodically and made recommendation to the Board on revision, if necessary.

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Wensen Consulting Asia (M) Sdn. Bhd., an independent professional consulting firm, which provides support to the AC in monitoring and managing risks, controls and governance processes of the Group. The main role of the internal audit function is to review the effectiveness and adequacy of the existing internal control policies and procedures and to provide recommendations, if any, for the improvement of the control policies and procedures.

During the financial period under review, the Internal Auditors have conducted review on the Group in accordance to the 3-year internal audit plan, which have been approved by the AC and reviewed on a yearly basis.

The Internal Auditors had carried out the following audit activities during the financial period under review:

1. Review of Management of Information System;
2. Review of Collection Management (Messaging Business Segment); and
3. Follow-up reviews in assessing the progress of the agreed management's action plans and report to the management and AC.

The report by the Internal Auditors were deliberated by the AC and the recommendations made to the Board and/or the Management were acted upon.

The cost incurred for the internal audit function of the Group for the financial period ended 30 April 2019 was RM10,000.

Statement on Risk Management and Internal Control

Introduction

The Malaysian Code on Corporate Governance ("MCCG") requires listed companies to maintain a sound system of internal controls to safeguards shareholders' investment and the Company and its subsidiaries ("Group")'s assets.

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers, the Board of Directors of M N C Wireless Berhad ("Board") is pleased to provide the following statement which outlines the policies, key elements and scope of risk management and internal control of the Group for the financial period ended 30 April 2019.

Board's Roles and Responsibilities

The Board recognises its overall responsibility for maintaining the adequacy and effectiveness of the Group's risk management and system of internal controls which covers financial, operations and compliance with relevant regulations, policies and procedures. This includes the establishment of an appropriate risk management and internal control framework and review the adequacy and effectiveness of those systems on an on-going basis.

The Board has delegated the implementation of the policies on risk management and internal control to the Management who remains accountable to the Board to ensure that the Group's risk management and internal control system are operating adequately and effectively. The Management shall be responsible for identifying and assessing the risks faced by the Group, identifying the changes to risk and in the design and operation of suitable internal controls to mitigate the risks identified. Towards this responsibility, the Management has established satisfactory internal control system with risk management embedded in the internal control system.

In view of the inherent limitations that exist in any system of internal controls, the system of internal controls and risk management within the Group are designed to manage rather than eliminate the risk of failure to meet its corporate objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatements, losses or fraud.

Risk Management Framework

The Board recognises that effective risk management is critical to enhance shareholders value and promote good corporate governance. The Group's risk management which is embedded in the internal control system is an ongoing process and is established for identifying, evaluating and managing significant risks faced by the Group in achieving its objectives and strategies. The identification, evaluation, reporting, monitoring and review of the key risks within the Group are executed by the Group's Management team who meets regularly to ensure that the risks faced by the Group are monitored and properly addressed. Significant risks identified are subsequently brought to the attention of the Board at the scheduled Board meetings. This serves as an on-going process of identifying, assessing and managing risks faced by the Group and has been in place for the financial period under review and up to the date of approval of this statement for inclusion in the annual report.

This process is regularly reviewed by the Board via the Audit Committee ("AC") at the quarterly Board meeting with the assistance of the outsourced Internal Auditors to further review and improve 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 changing business and competitive environment.

Internal Control Structure

The key elements of the Group's control environment include:

(i) *Organisation Structure*

The current organisation structure of the Group is incorporated with clear lines of accountability that sets out the authority delegated to the Board and Management. The Board is supported by various established committees in discharging its responsibilities that includes the AC, Nomination Committee and Remuneration Committee respectively.

(ii) *Audit Committee*

The AC which comprises of Independent Non-Executive Directors is governed clearly by defined terms of references. The AC shall meet each quarter and continue to have full access to the Internal and External Auditors and Senior Management employees of the Group. Further details of the activities undertaken by the AC during the financial period are set out in the AC Report on pages 26 to 28 of this Annual Report.

(iii) *Internal Audit Function*

The Group has outsourced its internal audit function to an independent professional consulting firm who assists the Board and the AC in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. For the financial period under review, the Internal Auditors have conducted various assignments and made recommendations to enhance the effectiveness of the control processes of the Group in accordance with the Internal Audit Plan approved by the AC. A summary of findings and recommendations are discussed at the AC meetings and the status of implementation of the actions agreed by Management is tracked and reported to the AC.

(iv) *Financial and Operational Information*

The Group has defined procedures and controls to ensure the reporting of complete and accurate financial information, taking into consideration the Malaysian Financial Reporting Standards. The annual financial statements and quarterly reports are reviewed by the Board and the AC before the announcement to Bursa Malaysia Securities Berhad.

The annual budget which contain financial and operating targets and performance indicators are reviewed and approved by the Chief Executive Officer cum Executive Director ("CEO cum ED") together with the Senior Management before being presented to the Board for final review and approval. Upon approval of the budget, the Group's performance is tracked and measured against the approved budget on a quarterly basis.

(v) *Limit of Authority*

Authorisation limit that sets out the appropriate authorisation limits of respective levels of management are in place to ensure all transactions are properly authorised before they are undertaken. The authorisation limit is reviewed regularly to ensure that they continue to be relevant and effective. The CEO cum ED approves all changes to the authorisation limit.

Internal Control Structure (cont'd)

The key elements of the Group's control environment include: (cont'd)

(vi) *Information and Communication*

The Board and Management receive timely, relevant and reliable reports on the business progress against objectives and the key risks to enable them to make appropriate decisions. Regular management meetings are held to identify, discuss and resolve business and operational issues and to improve efficiency.

(vii) *Performance Management*

The Group has in place a proper control environment which emphasises on quality and performance of its employees through the development of a competency based human resources process. Training programmes, career development and appraisal systems are implemented for employees to ensure continuity and to ensure employees are competent in carrying out their duties.

Review of the Statement by External Auditors

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, this Statement on Risk Management and Internal Control has been reviewed by the External Auditors for the inclusion in the Annual Report 2019.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG to be set out, nor is factually inaccurate.

Assurance

The CEO cum ED has provided assurance to the Board that the Group's risk management and internal control system, in all material aspects are operating adequately and effectively.

Conclusion by the Board

For the financial period under review, the Board is satisfied with the adequacy and effectiveness of the Group's internal control system with embedded risk management. There were no major weaknesses identified that would hamper the operations and lead to major financial impact of the Group that would require disclosure in the Group's Annual Report. The Board will continue to take necessary measures to strengthen its risk management and internal control system.

This Statement on Risk Management and Internal Control is made on the recommendation of the AC to the Board and is made in accordance with the Board's resolution dated 15 August 2019.

Additional Compliance Information

1. **Status of Utilisation of Proceeds raised from the Corporate Proposals**

   a. **Right Issue**

   The Company had on 11 November 2016 completed the Rights Issue with Warrants following the admission of the Warrants to the Official List and the listing of and quotation for 283,420,500 Right Shares together with 188,946,927 Warrants on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

   As at 30 April 2019, the status of utilisation of proceeds raised from the Right(s) Issue with Warrants are as follows:

Description	Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)
Wireless and mobile application services expenses	Within 48 months	2,000	–	2,000
Multimedia related service expenses / Infrastructure development	Within 48 months	3,000	–	3,000
Digital related service expenses / Purchase of advertising display panels	Within 48 months	8,000	(4,305)	3,695
Branch Expansion	Within 48 months	4,000	–	4,000
Repayment of bank borrowings	Completed	2,750	(2,750)	–
Working capital	Within 48 months	8,021	(4,221)	3,800
Corporate Exercises expenses	Completed	571	(571)	–
Total		**28,342**	**(11,847)**	**16,495**

1. Status of Utilisation of Proceeds raised from the Corporate Proposals (cont'd)

b. Private Placement

The Private Placement was completed on 22 August 2017 following the listing of and quotation for 43,489,400 new ordinary shares at an issue price of RM0.05454 each amounting to RM2,372,000.00 on the ACE Market of Bursa Securities.

The details of the utilisation of the proceeds raised from the Private Placement are as follow:-

Description	Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)
Funding for the Project	Within 24 months	2,273	–	2,273
Estimated expenses for the Proposed Private Placement	Within 24 months	99	99	–
Total		**2,372**	**99**	**2,273**

Notes:

i. The balance to be utilised for "Funding for the Project" included RM51,000.00 which was excess of actual utilisation over estimated expenses for the said Private Placement, which is adjusted to working capital.

ii. The Board has on 27 August 2018 approved the utilisation of the proceeds derived from Private Placement to be extended for twelve (12) months.

c. Proposed Rights Issue of Irredeemable Convertible Preference Share with Warrants

On 9 April 2019, the Company proposes to undertake the proposed renounceable rights issue of up to 3,769,226,735 new irredeemable convertible preference shares in MNC Wireless Berhad ("MNC") ("ICPS") together with up to 75,384,534 free detachable warrants in MNC ("Warrants B") on the basis of 50 ICPS together with 1 free warrant B for every 10 existing ordinary shares in MNC ("MNC Shares" or "Shares") held by the entitled shareholders of the Company ("Entitled Shareholders") on an entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue of ICPS with Warrants") and it was approval by Bursa Securities on 26 April 2019.

On 10 June 2019, the Company announced that all the resolutions pertaining to the Proposed Rights Issue of ICPS with Warrants were duly passed by the shareholders of the Company at an Extraordinary General Meeting.

On 18 July 2019, the Company announced that it has resolved to fix the issue price of the ICPS at RM0.03 per ICPS and the exercise price of the Warrants B at RM0.06 per Warrant B ("Exercise Price"). Subsequently the entitlement date for the Proposed Rights Issue of ICPS with Warrants has been set on 7 August 2019 and the Abridged Prospectus was despatched on 9 August 2019.

The said corporate proposal has not been completed as at the date of the issuance of this Annual Report. For more details, please refer to Bursa Securities' announcements.

2. Audit Fees and Non-Audit Fees

During the financial period ended 30 April 2019, the amount of audit and non-audit fees paid/payable to the External Auditors and its affiliates by the Company and its subsidiaries ("the Group") respectively were as follows:

	Group RM	Company RM
Audit Fees	76,000	50,000
Non-Audit Fees	3,000	3,000

3. Employee's Share Option Scheme ("ESOS")

The ESOS was approved by the shareholders at an Extraordinary General Meeting held on 21 December 2015 and governed by the ESOS By-Law. The ESOS would be in force for a period of five (5) years from the date of implementation on 11 November 2016.

The maximum allocation of ESOS to Directors and employees of the Group shall not exceed 30% of the Company's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The details on the number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 30 April 2019 are as follows:-

	Total	Executive Director/ Chief Executive	Senior Management	Other Employees
Number of options granted	88,027,000	–	57,027,000	31,000,000
Number of options exercised	57,000,000	–	57,000,000	–
Number of options forfeited	31,027,000	–	27,000	31,000,000
Number of options outstanding	–	–	–	–

As at 30 April 2019, the actual percentage of ESOS option granted to Senior Management since its commencement date of the ESOS is 50.55%.

The Directors of the Company have not, since the implementation of the ESOS, been granted any options under ESOS.

4. Material Contracts involving Directors' and Major Shareholders' Interest

There was no material contract entered into by the Group which involved the interest of the Directors' and major shareholders' during the financial period under review.

5. Recurrent Related Party Transactions ("RRPT")

There was no RRPT of a revenue or trading nature during the financial period ended 30 April 2019.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia, which give a true and fair view of the financial position of the Group and of the Company at the end of each financial year.

In preparing the financial statements for the financial period ended 30 April 2019, the Directors have considered the following:-

- that appropriate accounting policies have been adopted and applied consistently;
- that reasonable and prudent judgment and estimates were made;
- that the approved accounting standards in Malaysia have been applied; and
- that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company at any time, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Directors have overall responsibilities for taking reasonable steps to safeguard the assets of the Group and of the Company, to prevent and detect fraud and any irregularities.

Financial Statements

Financial Statements

Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 April 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are sales and marketing, and research and development of wireless, mobile and multimedia solutions and content and investment holding. The principal activities of the subsidiary companies are as set out in *Note 6* to the financial statements. There were no significant changes in the nature of these activities during the financial period.

FINANCIAL RESULTS

	Group RM	*Company* RM
Total comprehensive loss attributable to:		
Owners of the Company	(2,509,365)	(1,681,290)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared since the end of the previous financial year. The directors do not propose any dividend in respect of the current financial period.

MOVEMENTS ON RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There was no issue of shares or debentures by the Company during the financial period.

ESOS

On 21 December 2015, the Company obtained approval from the shareholders at Extraordinary General Meeting for the issuance of ESOS of not exceeding in aggregate thirty percent (30%) of the Company's total issued share capital at any point of time during the duration of the ESOS. The ESOS shall be allocated to any eligible employee of the Company and its subsidiary companies who fulfilled the eligibility criteria for participation in the ESOS.

Each ESOS option entitles the eligible employee to subscribe for such number of ordinary shares in the Company pursuant to an offer duly accepted by the eligible employee at the exercise price to be determined by the ESOS Committee at its discretion based on the 5-days volume weighted average price of the Company's share as quoted in Bursa Malaysia Securities Berhad, immediately prior to the date of offer made by the ESOS Committee with a discount of not more than 10%, if deemed appropriate.

ESOS (cont'd)

The ESOS shall be valid for a duration of five periods from the effective date of the ESOS, and may upon the recommendation of the ESOS Committee, be extended for a further five periods.

On 25 April 2017, the Company offered a total of 88,027,000 share options under the ESOS at the option price of RM0.075 to eligible employees of the Company.

On 11 April 2018, the remaining 31,027,000 unexercised share options have expired.

WARRANTS

On 3 November 2016, the Company listed and quoted 188,946,927 Warrants pursuant to the Rights Issue with Warrants Exercise on the basis of two (2) Warrants for every three (3) Rights Shares subscribed.

The Warrants are constituted by the Deed Poll dated 26 September 2016 ("Deed Poll").

Salient features of the Warrants are as follows:

(a) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for three (3) new ordinary shares in the Company at an exercise price of RM0.10 during the 10 year period expiring on 5 November 2021 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll;

(b) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purposes; and

(c) Warrant holders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

As at 30 April 2019, the total numbers of Warrants that remain unexercised were 188,946,927.

CHANGE OF FINANCIAL YEAR END

The Company has changed its financial year end from 31 December to 30 April.

DIRECTORS

The directors in office since the date of the last report are:

Tan Chor How Christopher*
Dato' Kua Khai Shyuan*
Pang Siaw Sian
Thu Soon Shien
Wong Kok Seong

* A director who also holds office in the subsidiary companies.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, particulars of directors' interests in the shares of the Company at the end of the financial period are as follows:

	Number of Ordinary shares			
	Balance at 1.1.2018	Bought	Sold	Balance at 30.4.2019
Tan Chor How Christopher	–	50,000	–	50,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit *(other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the Directors' Remuneration section below and Note 28 to the financial statements, or the fixed salary of a full-time employee of the Company)* by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNITY AND INSURANCE COSTS

No indemnity has been given during the financial period, for any person who is or has been the director, officer or auditor of the Group and the Company.

DIRECTORS' REMUNERATION

	Group 30.04.2019 RM	*Company* 31.12.2017 RM
Director's remuneration		
- fees	150,000	123,000
- other emoluments	443,858	367,053

Included in the analysis above is remuneration for the directors of the Company and its subsidiary companies in accordance with the requirements of the Companies Act 2016.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper 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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

(b) 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.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render it necessary to write off any bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

(c) 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

(d) 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.

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

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

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

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in *Note 33* to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

The significant events during the financial period are disclosed in *Note 34* to the financial statements.

AUDITORS

The details of the auditors' remuneration for the financial period are disclosed in *Note 25* to the financial statements.

The auditors, Messrs Ong & Wong, Chartered Accountants, have expressed their willingness to continue in office.

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

WONG KOK SEONG
Director

TAN CHOR HOW CHRISTOPHER
Director

Kuala Lumpur
Date: 15 August 2019

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

In the opinion of the directors, the financial statements set out on pages 48 to 110 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 exhibit a true and fair view of the financial positions of the Group and of the Company as at 30 April 2019 and of the financial performance and cash flows of the Group and of the Company for the period ended on that date.

Signed in Kuala Lumpur on 15 August 2019

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

WONG KOK SEONG

TAN CHOR HOW CHRISTOPHER

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

I, Tan Chor How Christopher, being the director primarily responsible for the financial management of M N C Wireless Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 48 to 110 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared in Kuala Lumpur on 15 August 2019

TAN CHOR HOW CHRISTOPHER

Before me,
LAI DIN
License No. W668
Commissioner for Oaths
Kuala Lumpur

Independent Auditors’ Report

To the members of M N C Wireless Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of M N C Wireless Berhad, which comprise the statements of financial position as at 30 April 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 110.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2019, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Risk area and rationale	Our response
Trade and Other Receivables (Note 8 and 9 to the financial statements) The adoption of MFRS 9 Financial Instruments has changed the Group's and the Company's accounting policy for impairment by replacing an incurred loss model with a forward looking expected credit loss approach. We considered this a key audit matter as the assessment of recoverability of receivables involved judgements and estimation uncertainty in analying historical bad debts, customer concentration, customer creditworthiness, current economic trends, customer payment terms and etc. As at 30 April 2019, gross trade and other receivables of the Group amounted to RM14,624,346 and the accumulated impairments amounted to RM178,344.	1) Obtained an understanding of the Group's control over the receivables collection process and making inquiries regarding the action plans to recover the overdue amounts; 2) Reviewed the aging analysis of receivables and testing the reliability thereof; 3) Requested balance confirmations and reviewed subsequent collections from receivables; and 4) Evaluated the reasonableness and adequacy of the impairment losses provided based on historical data and forward looking information as required by MFRS 9.
Adoption of MFRS 15 Revenue from Contracts with Customers Arising from the adoption of MFRS 15, the Group and the Company were required to change accounting policies on revenue recognition. Consequently, new judgements were required to evaluate contracts with customers, in particular on the number of performance obligations, allocation of transaction price to each performance obligation and the determination of whether revenue for each contract is to be recognised over time or at a point in time and new disclosures were made in the financial statements. The accounting policy change arising from adoption of MFRS 15 is a key audit matter because it required our assessment of the evaluation of the contracts with customers performed by the management and required management's judgement in allocation of transaction price to each performance obligation and the timing of revenue recognition.	1) Compared the accounting policies adopted by the Group and Company with the requirements of MFRS 15; 2) Reviewed and obtained an understanding of the Group's new or revised processes, systems and controls implemented; 3) Evaluated the estimates made for the revenue recognition by determining that inputs applied were not biased and these were reasonable and supportable; and 4) Assessed the accuracy and appropriateness of disclosures as required by MFRS 15.

Report on the Audit of the Financial Statements (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 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 Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Report on the Audit of the Financial Statements (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 scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of 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 and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, is disclosed in *Note 6* to the financial statements.

Other Matters

We are not engaged to report on the financial statement of the Group and the Company for the financial year ended 31st December, 2017 were audited by another firm.

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 for this report.

ONG & WONG
AF: 0241
Chartered Accountants

ONG KONG LAI
00494/06/2020 J
Chartered Accountant

Kuala Lumpur
Date: 15 August 2019

Statements of Financial Position
as at 30 April 2019

		Group		Company	
		30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	Note	**RM**	RM	**RM**	RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	**8,893,032**	8,552,003	**7,556,033**	6,576,857
Investment in subsidiary companies	6	**–**	–	**1,165,037**	1,165,037
Other investments	7	**3,511,059**	1,780,000	**3,511,059**	1,780,000
		12,404,091	10,332,003	**12,232,129**	9,521,894
CURRENT ASSETS					
Trade receivable	8	**9,921,090**	5,125,654	**5,599,056**	884,479
Other receivables, Deposits and prepayments	9	**4,703,256**	3,431,263	**4,634,776**	3,287,098
Amount owing by subsidiary companies	10	**–**	–	**2,306,992**	3,331,482
Current tax assets		**254,935**	318,755	**73,214**	19,748
Short-term investment	11	**–**	2,665,184	**–**	2,665,184
Fixed deposits	12	**16,396,090**	22,381,247	**16,290,000**	22,281,247
Cash and bank balances	13	**981,473**	2,385,125	**102,155**	1,468,212
		32,256,844	36,307,228	**29,006,193**	33,937,450
TOTAL ASSETS		**44,660,935**	46,639,231	**41,238,322**	43,459,344

		Group		*Company*	
		30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	Note	**RM**	RM	**RM**	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	*14*	**44,556,012**	44,556,012	**44,556,012**	44,556,012
Revaluation reserve	*15*	**2,780,325**	1,931,774	**2,780,325**	1,931,774
Warrant reserve	*16*	**4,723,673**	4,723,673	**4,723,673**	4,723,673
ESOS reserve	*17*	**–**	65,157	**–**	65,157
Accumulated losses		**(14,361,951)**	(11,056,931)	**(13,495,337)**	(11,020,034)
TOTAL EQUITY		**37,698,059**	40,219,685	**38,564,673**	40,256,582
LIABILITIES					
NON-CURRENT LIABILITIES					
Term loans	*18*	**–**	880,916	**–**	880,916
Finance lease payables	*19*	**637,798**	826,601	**–**	–
Deferred tax liabilities	*20*	**927,470**	659,770	**912,193**	644,493
TOTAL LIABILITIES		**1,565,268**	2,367,287	**912,193**	1,525,409
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	*21*	**3,455,181**	3,124,314	**900,767**	1,330,048
Other payables and accruals	*22*	**1,799,560**	731,029	**860,689**	205,301
Amount owing to a subsidiary company	*10*	**–**	–	**–**	77,839
Term loans	*18*	**–**	64,165	**–**	64,165
Finance lease payables	*19*	**142,867**	132,751	**–**	–
		5,397,608	4,052,259	**1,761,456**	1,677,353
TOTAL LIABILITIES		**6,962,876**	6,419,546	**2,673,649**	3,202,762
TOTAL EQUITY AND LIABILITIES		**44,660,935**	46,639,231	**41,238,322**	43,459,344

Statements of Profit or Loss and Other Comprehensive Income

for the period ended 30 April 2019

	Note	1.1.2018 to 30.4.2019 RM	1.1.2017 to 31.12.2017 RM	1.1.2018 to 30.4.2019 RM	1.1.2017 to 31.12.2017 RM
REVENUE	23	**27,528,635**	16,364,046	**10,497,442**	4,271,098
COST OF SALES		**(21,901,182)**	(12,550,229)	**(8,184,263)**	(3,198,766)
GROSS PROFIT		**5,627,453**	3,813,817	**2,313,179**	1,072,332
OTHER OPERATING INCOME		**924,013**	608,768	**2,078,705**	1,429,526
SALES AND DISTRIBUTION COSTS		**(13,728)**	(38,654)	**(13,728)**	(38,654)
ADMINISTRATIVE EXPENSES		**(9,654,138)**	(5,038,122)	**(6,935,399)**	(3,707,908)
LOSS FROM OPERATIONS		**(3,116,400)**	(654,191)	**(2,557,243)**	(1,244,704)
FINANCE COSTS	24	**(59,905)**	(51,448)	**(2,753)**	(14,866)
LOSS BEFORE TAXATION	25	**(3,176,305)**	(705,639)	**(2,559,996)**	(1,259,570)
INCOME TAX EXPENSE	26	**(218,088)**	5,723	**(6,322)**	7,579
LOSS AFTER TAXATION		**(3,394,393)**	(699,916)	**(2,566,318)**	(1,251,991)
OTHER COMPREHENSIVE LOSS: ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
- REVALUATION SURPLUS		**885,028**	–	**885,028**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR / PERIOD		**(2,509,365)**	(699,916)	**(1,681,290)**	(1,251,991)
LOSS ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		**(3,394,393)**	(699,916)		
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		**(2,509,365)**	(699,916)		
LOSS PER SHARE (SEN)					
- BASIC		(0.52)	(0.16)		
- DILUTED		N/A	N/A		

Statements of Changes In Equity
for the period ended 30 April 2019

	<--Attributable to Owners of the Company-->					
	<--Non-distributable-->					
	Share Capital RM	ESOS Reserve RM	Revaluation Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
Group						
At 1 January 2017	37,789,400	–	1,954,284	4,723,673	(10,379,525)	34,087,832
Transactions with owners:						
Issuance of shares pursuant to the exercise of private placement	2,371,912	–	–	–	–	2,371,912
Provision for ESOS reserve	–	184,857	–	–	–	184,857
Issuance of shares pursuant to the exercise of ESOS	4,394,700	(119,700)	–	–	–	4,275,000
	6,766,612	65,157	–	–	–	6,831,769
Loss after taxation/total comprehensive loss for the financial year	–	–	–	–	(699,916)	(699,916)
Realisation of the revaluation reserve	–	–	(22,510)	–	22,510	–
At 31 December 2017	44,556,012	65,157	1,931,774	4,723,673	(11,056,931)	40,219,685
At 1 January 2018	44,556,012	65,157	1,931,774	4,723,673	(11,056,931)	40,219,685
Adjustment of initial application of MFRS 9	–	–	–	–	(12,261)	(12,261)
At 1 January 2018, restated	44,556,012	65,157	1,931,774	4,723,673	(11,069,192)	40,207,424
Loss after taxation	–	–	–	–	(3,394,393)	(3,394,393)
Revaluation surplus	–	–	885,028	–	–	885,028
Total comprehensive loss for the period	–	–	885,028	–	(3,394,393)	(2,509,365)
Reversal of equity share-based payment	–	(65,157)	–	–	65,157	–
Realisation of the revaluation reserve	–	–	(36,477)	–	36,477	–
At 30 April 2019	44,556,012	–	2,780,325	4,723,673	(14,361,951)	37,698,059

Statements of Changes In Equity for the period ended 30 April 2019 (cont'd)

	<----Attributable to Owners of the Company----					
	<----Non-distributable----					
	Share Capital RM	ESOS Reserve RM	Revaluation Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
Company						
At 1 January 2017	37,789,400	–	1,954,284	4,723,673	(9,790,553)	34,676,804
Transactions with owners:						
Issuance of shares pursuant to the exercise of private placement	2,371,912	–	–	–	–	2,371,912
Provision for ESOS reserve	–	184,857	–	–	–	184,857
Issuance of shares pursuant to the exercise of ESOS	4,394,700	(119,700)	–	–	–	4,275,000
	6,766,612	65,157	–	–	–	6,831,769
Loss after taxation/total comprehensive loss for the financial year	–	–	–	–	(1,251,991)	(1,251,991)
Realisation of the revaluation reserve	–	–	(22,510)	–	22,510	–
At 31 December 2017	44,556,012	65,157	1,931,774	4,723,673	(11,020,034)	40,256,582
At 1 January 2018	44,556,012	65,157	1,931,774	4,723,673	(11,020,034)	40,256,582
Adjustment on initial application of MFRS 9, net of tax	–	–	–	–	(10,619)	(10,619)
At 1 January 2018, restated	44,556,012	65,157	1,931,774	4,723,673	(11,030,653)	40,245,963
Loss after taxation	–	–	–	–	(2,566,318)	(2,566,318)
Revaluation surplus	–	–	885,028	–	–	885,028
Total comprehensive loss for the period	–	–	885,028	–	(2,566,318)	(1,681,290)
Reversal of equity share–based payment	–	(65,157)	–	–	65,157	–
Realisation of the revaluation reserve	–	–	(36,477)	–	36,477	–
At 30 April 2019	44,556,012	–	2,780,325	4,723,673	(13,495,337)	38,564,673

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

Statements of Cash Flows
for the period ended 30 April 2019

	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	**(3,176,305)**	(705,639)	**(2,559,996)**	(1,259,570)
Adjustments for:				
Allowance for expected credit loss	**78,969**	–	**80,613**	–
Depreciation of property, plant and equipment	**856,409**	559,633	**210,612**	178,273
Impairment losses on:				
- investment in associate company	**3,857**	–	**3,857**	–
- investment in subsidiary companies	**–**	–	**49,458**	100,000
- quoted shares	**2,126,391**	45,000	**2,126,391**	45,000
- trade receivables	**1,393**	9,009	**1,181**	9,009
- unquoted shares	**–**	41,202	**–**	41,202
Interest expenses	**59,905**	51,448	**2,753**	14,866
Share-based payment	**–**	184,857	**–**	120,807
Gain on disposal of property, plant and equipment	**–**	(41,654)	**–**	–
Loss on disposal of quoted shares	**314,188**	–	**314,188**	–
Interst income	**(770,953)**	(345,011)	**(759,831)**	(336,653)
Reversal of impairment losses on:				
- amount owing by subsidiary companies	**–**	–	**–**	(62,451)
- trade receivables	**–**	(78,065)	**–**	(77,707)
Operating loss before working capital changes	**(506,146)**	(279,220)	**(530,774)**	(1,227,224)
(Increase)/decrease in receivables	**(6,209,513)**	1,191,364	**(6,204,127)**	2,851,410
Increase in payables	**1,448,857**	809,295	**148,268**	399,290
Increase/(decrease) in amount owing by subsidiary companies	**–**	–	**1,024,490**	(621,593)
Cash (used in)/generated from operations	**(5,266,802)**	1,721,439	**(5,562,143)**	1,401,883
Tax refund	**(181,061)**	24,437	**10,622**	18,985
Tax paid	**15,013**	(295,126)	**(82,192)**	(39,678)
Net cash (used in)/generated from operating activities	**(5,432,850)**	1,450,750	**(5,633,713)**	1,381,190

	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	**770,953**	345,011	**759,831**	336,653
Investment in subsidiary companies	**–**	–	**–**	(1,200,987)
Investment in quoted shares	**(5,682,450)**	–	**(5,682,450)**	–
Investment in unquoted shares	**–**	(1,825,000)	**–**	(1,825,000)
Purchase of property, plant and equipment (Note A)	**(32,927)**	(1,089,224)	**(25,277)**	(5,501)
Proceeds from disposal of property, plant and equipment	**–**	132,000	**–**	–
Proceeds from disposal of quoted shares	**1,506,955**	–	**1,506,955**	–
Net cash used in investing activities	**(3,437,469)**	(2,437,213)	**(3,440,941)**	(2,694,835)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	**(59,905)**	(51,448)	**(2,753)**	(14,866)
Proceeds from issuance of share capital, net of share issuance expenses	**–**	6,646,912	**–**	6,646,912
Repayment of term loans	**(1,123,769)**	(1,823,621)	**(945,081)**	(1,823,621)
Repayment of finance lease payables	**–**	(90,648)	**–**	–
Placement of fixed deposits	**–**	(18,573,929)	**–**	(18,573,929)
Withdrawal of fixed deposit pledged as securities	**18,573,929**	–	**18,573,929**	–
Net cash generated from/(used in) investing activities	**17,390,255**	(13,892,734)	**17,626,095**	(13,765,504)
Net increase in cash and cash equivalents	**8,519,936**	(14,879,197)	**8,551,441**	(15,079,149)
Cash and cash equivalents at the beginning of the financial year	**8,857,627**	23,736,824	**7,840,714**	22,919,863
Cash and cash equivalents at the end of year (Note B)	**17,377,563**	8,857,627	**16,392,155**	7,840,714

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

		Group		*Company*	
		1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
NOTES TO STATEMENTS OF CASH FLOWS					
(A)	Purchase of property, plant and equipment				
	Aggregate cost	**32,927**	2,139,224	**25,277**	5,501
	Less: Finance lease financing	**–**	(1,050,000)	**–**	–
		32,927	1,089,224	**25,277**	5,501
(B)	Cash and cash equivalents comprise:				
	Fixed deposits with licensed banks	**16,396,090**	3,807,318	**16,290,000**	3,707,318
	Short-term investment	**–**	2,665,184	**–**	2,665,184
	Cash and bank balances	**981,473**	2,385,125	**102,155**	1,468,212
		17,377,563	8,857,627	**16,392,155**	7,840,714

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are sales and marketing, and research and development of wireless, mobile and multimedia solutions and content and investment holding. The principal activities of the subsidiary companies are as set out in Note 6. There were no significant changes in the nature of these activities during the financial period.

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

The address of the registered office of the company has changed from 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur to Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

The address of the principal place of business of the Company is 100-3.011, Block J, 129 Offices, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

(a) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Amendments

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year except for the adoption of the following new, revised MFRSs and amendments which are effective for annual period beginning on or after 1 January 2018.

Description	Effective for annual period beginning on or after
Amendments to MFRS 2 Share-based Payment: Classification and Measurement of Share Based Payment Transactions	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS 2014 – 2016 Cycle	1 January 2018
Amendments to MFRS 140 Investment Property: Transfers of Investment Property	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers and clarifications to MFRS 15	1 January 2018
Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards: Annual Improvements to MFRSs 2014 – 2016 Cycle	1 January 2018

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective

At the date of authorisation for issue of the financial statements, the new and revised Standards and Amendments issued but not yet effective for the Group and the Company and not early adopted by the Group and by the Company are as listed below:

Description	Effective for annual period beginning on or after
MFRS 16 Leases	1 January 2019
Amendments to MFRS 128: Long-term interests in Association and Joint Venture	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 112: Income Taxes (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)	1 January 2019
Amendments to MFRS 123: Borrowing Costs (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)	1 January 2019
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the perspective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not to be expected to have any material impact to financial statements of the Group and of the Company except as mentioned below:

i. MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The Standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117 Leases.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019 with early adoption permitted.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.

(c) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the significant accounting policies as disclosed in Note 3 below.

The financial statements are presented in Ringgit Malaysia ("RM").

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Consolidation

The financial statements of the Group include the audited financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(i) Acquisition method of accounting for business combinations

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Non-controlling interest

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated financial position, separately from equity attributable to owners of the Company.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant And Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses where applicable.

Buildings are stated at revalued amount less accumulated depreciation and impairment losses, if any, recognised after the date of the revaluation.

Buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives.

Buildings are depreciated in equal instalments over the lease period of 87 years.

All other property, plant and equipment are depreciated based on the estimated useful lives of the assets at the following annual rates:

	%
Computers	20 - 40
Furniture, fittings and equipment	10
Motor vehicles	20
Renovation	20

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

(c) Investment In Subsidiary Companies

Subsidiary companies are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments, the Group and the Company have elected not to restate the comparatives.

(i) Recognition and initial measurement

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

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

a. Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

b. Fair value through other comprehensive income

i. Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the 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.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

ii. Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income on initial recognition. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

c. Fair value through profit or loss

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

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognized in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

a. Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as fair value through profit or loss:

i. if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

ii. a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

iii. if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

b. Amortised cost

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

a. the recognition of an asset to be received and the liability to pay for it on the trade date, and

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

Settlement date accounting refers to:

a. the recognition of an asset on the day it is received by the Group and the Company, and

b. derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group and the Company applied settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:
- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

(v) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

a. Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument which the Group and the Company have elected to present the subsequent changes in fair value of the investment in equity in other comprehensive income).

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognised in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income. When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

b. Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.asset or a liability with a corresponding gain or loss recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

(v) Hedge accounting (cont'd)

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or 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 asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vii) Offsetting

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment

(i) Financial Assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments, the Group and the Company elected not to restate the comparatives.

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 16-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 16-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 16 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment (cont'd)

(ii) Non-financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGU").

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(f) Warrant Reserve

Amount allocated in relation to the issuance of warrants is credited to warrant reserve which is non-distributable. Warrant reserve is transferred to share capital or retained profits upon the exercise or expiry of the warrants respectively.

(g) Fair Value Measurement

The Group and the Company measure the marketable securities at fair value at each end of reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes places either:

(i) in the principal market for the assets or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Fair Value Measurement (cont'd)

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(h) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

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

(i) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Foreign Currency Translation

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

(iii) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-

a. controls, is controlled by, or is under common control with, the entity (this includes holding company, subsidiary companies and fellow subsidiary companies);

b. has an interest in the entity that gives it significant influence over the entity; or

c. has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venture;

(iv) the party is a member of the key management personnel of the entity or its holding company;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

(l) Revenue Recognition

(i) Revenue from services is recognised when services are performed.

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

(iii) Rental income is recognised on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income Tax Expense

Income taxes for the year comprise current and deferred tax.

(i) *Current Tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) *Deferred Tax*

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual 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. Past-service costs are recognised immediately in profit or loss.

(ii) Defined Contribution Plan

The Company's and its subsidiary companies' contributions to defined contribution plans regulated and managed by the government, are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Company and its subsidiary companies have no further financial obligations.

(iii) Share-based Payment Transactions

Equity-settled Share-based Payment Transaction

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.

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 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 estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

(o) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Earnings Per Ordinary Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(q) Cash And Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's and of the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

(r) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenue.

(s) Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

(i) Finance Lease

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

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss.

(ii) Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of Investment in Subsidiaries

The management determines whether the carrying amounts of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation or based on total shareholders' equity of the subsidiaries.

The carrying amount of investment in subsidiaries as at 30 April 2019 were RM1,165,037 (2017: RM1,165,037). Further details are disclosed in Note 6 to the financial statements. Based on management's review, no further adjustment for impairment is required for the investment in subsidiaries by the Company during the current year.

(ii) Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's financial assets at the reporting date is disclosed in Note 8 to the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(b) Key Sources of Estimation Uncertainty (cont'd)

(iii) Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

The estimates for residual values, useful lives and related depreciation or amortisation charges for the property, plant and equipment and intangible assets are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

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

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

The carrying amount of property, plant and equipment are disclosed in Notes 5.

(iv) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Employee Share Options Scheme ("ESOS") Reserve

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 estimates also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed 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.

5. PROPERTY, PLANT AND EQUIPMENT

	At Valuation	At Cost				
	Buildings RM	Computers RM	Furniture, fittings and equipment RM	Motor vehicle RM	Renovation RM	Total RM
Group						
Cost/Valuation						
At 1 January 2017	**6,500,000**	**3,047,763**	**195,920**	**2,411,459**	**245,818**	**12,400,960**
Additions	**–**	**500**	**12,171**	**–**	**–**	**12,671**
At 31 December 2017/1 January 2018	**6,500,000**	**3,048,263**	**208,091**	**2,411,459**	**245,818**	**12,413,631**
Additions	**–**	**14,137**	**11,140**	**7,650**	**–**	**32,927**
Disposal	**–**	**(406,334)**	**–**	**–**	**–**	**(406,334)**
Written off	**–**	**(1,616,883)**	**–**	**–**	**–**	**(1,616,883)**
Revaluatiob surplus	**1,000,000**	**–**	**–**	**–**	**–**	**1,000,000**
At 30 April 2019	**7,500,000**	**1,039,183**	**219,231**	**2,419,109**	**245,818**	**11,423,341**
Accumulated depreciation						
At 1 January 2017	**42,651**	**2,999,743**	**98,923**	**131,211**	**98,555**	**3,371,083**
Charge for the year	**73,116**	**37,790**	**18,681**	**380,882**	**49,164**	**559,633**
Disposal	**–**	**–**	**–**	**(69,088)**	**–**	**(69,088)**
At 31 December 2017 / 1 January 2018	**115,767**	**3,037,533**	**117,604**	**443,005**	**147,719**	**3,861,628**
Charge for the period	**106,348**	**16,901**	**24,688**	**644,841**	**63,631**	**856,409**
Disposal	**–**	**(406,334)**	**–**	**–**	**–**	**(406,334)**
Elimination of accumulated depreciation on revaluation	**(164,511)**	**–**	**–**	**–**	**–**	**(164,511)**
Written off	**–**	**(1,616,883)**	**–**	**–**	**–**	**(1,616,883)**
	57,604	**1,031,217**	**142,292**	**1,087,846**	**211,350**	**2,530,309**
Net carrying amount						
At 30 April 2019	**7,442,396**	**7,966**	**76,939**	**1,331,263**	**34,468**	**8,893,032**
At 31 December 2017	6,384,233	10,730	90,487	1,968,454	98,099	8,552,003

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Valuation	At Cost			
	Buildings RM	Computers RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
Company					
Cost/Valuation					
At 1 January 2017	**6,500,000**	**2,641,429**	**181,544**	**245,818**	**9,568,791**
Additions	**–**	**500**	**5,001**	**–**	**5,501**
At 31 December 2017/ 1 January 2018	**6,500,000**	**2,641,929**	**186,545**	**245,818**	**9,574,292**
Additions	**–**	**14,137**	**11,140**	**–**	**25,277**
Written off	**–**	**(1,616,883)**	**–**	**–**	**(1,616,883)**
Revaluation	**1,000,000**	**–**	**–**	**–**	**1,000,000**
	7,500,000	**1,039,183**	**197,685**	**245,818**	**8,982,686**
Accumulated depreciation					
At 1 January 2017	**42,651**	**2,593,409**	**84,547**	**98,555**	**2,819,162**
Charge for the year	**73,116**	**37,790**	**18,203**	**49,164**	**178,273**
At 31 December 2017/ 1 January 2018	**115,767**	**2,631,199**	**102,750**	**147,719**	**2,997,435**
Charge for the period	**106,348**	**16,901**	**23,732**	**63,631**	**210,612**
Elimination of accumulated depreciation on revaluation	**(164,511)**	**–**	**–**	**–**	**(164,511)**
Written off	**–**	**(1,616,883)**	**–**	**–**	**(1,616,883)**
	57,604	**1,031,217**	**126,482**	**211,350**	**1,426,653**
Net carrying amount					
At 30 April 2019	**7,442,396**	**7,966**	**71,203**	**34,468**	**7,556,033**
At 31 December 2017	**6,384,233**	**10,730**	**83,795**	**98,099**	**6,576,857**

(a) The buildings of the Group and of the Company have been pledged to a licensed bank as securities for banking facilities granted to the Group and to the Company.

(b) The buildings were revalued in August 2018 by the Group and the Company based on valuation carried out by independent professional valuers using the open market value basis.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) If the buildings were measured using the cost model, the net carrying amount would be as follows:

	Group and Company	
	30.04.2019	31.12.2017
	RM	RM
Buildings		
Cost	**3,994,400**	3,994,400
Less: Accumulated depreciation	**(399,440)**	(319,552)
	3,594,960	3,674,848

(d) Included in motor vehicles of the Group is a motor vehicle held in trust by a director with net carrying amount of RM Nil (2017: RM469,350).

(e) The net carrying amount of property, plant and equipment of the Group includes the following assets held under finance lease agreements:

	Group	
	30.04.2019	31.12.2017
	RM	RM
Motor vehicles	**877,867**	1,282,089

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	30.04.2019	31.12.2017
	RM	RM
Unquoted shares, at cost		
At 1 January	**3,555,582**	2,290,545
Addition	**–**	1,265,037
	3,555,582	3,555,582
Less: Accumulated impairment losses		
At 1 January	**2,390,545**	2,290,545
Addition	**–**	100,000
	2,390,545	2,390,545
At 31 December	**1,165,037**	1,165,037

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows:

The subsidiary companies are:

Name of subsidiary Companies	Country of Incorporation	Principal activity	Effective equity interest	
			30.04.2019 %	31.12.2017 %
Moblife.TV Sdn. Bhd.	Malaysia	Consultation, sales, marketing and implementation of m-business solutions for business to business and business to consumer enterprise applications and the management of content resources for business to business and business to consumer enterprise applications.	**100**	100
Digital Kung-Fu Sdn. Bhd.	Malaysia	Providing web design and hosting services, research and development in digital communication and advertising services.	**100**	100
Wowloud Sdn. Bhd.	Malaysia	Providing legal music streaming subscription service.	**100**	100
Joors Asia Sdn. Bhd.	Malaysia	Dormant	**100**	100
* # Maise Beauty Sdn. Bhd.	Malaysia	Deregistered	**–**	100
* # Empire ME Limited	United Arab Emirates	Dormant	**100**	100

* Subsidiary company not audited by Ong & Wong Chartered Accountants.

The status of the subsidiary companies are as below:

(1) Maise Beauty Sdn. Bhd.
The subsidiary company had been struck off from the Register of the Companies Commission of Malaysia with effect on 12 March 2019.

(2) Empire ME Limited
The subsidiary company had been struck off from the Commercial Register of the Jebel Ali Free Zone Authority, United Arab Emirates with effect on 13 May 2019.

Impairment losses on investment in subsidiary companies

The Company assessed the recoverable amount of investment in subsidiary companies and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying amount. The recoverable amount of each subsidiary company, being a cash-generating unit on its own, is derived from the net assets position of the respective subsidiary companies as at end of the reporting period.

7. OTHER INVESTMENTS

	Group and Company	
	30.04.2019	31.12.2017
	RM	RM
Quoted shares in Malaysia, at cost	**5,637,450**	1,825,000
Less: Accumulated impairment losses	**(2,126,391)**	(45,000)
	3,511,059	1,780,000
Unquoted shares outside Malaysia, at cost	**–**	41,202
Less: Accumulated impairment losses	**–**	(41,202)
	–	–
	3,511,059	1,780,000
Market value of quoted shares	**3,511,059**	1,780,000

Investment in quoted shares of the Group and of the Company are designated as held for sale financial assets.

Investment in unquoted shares of the Group and of the Company are designated as held for sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to lack of marketability of the shares.

Impairment loss on investment in quoted shares

The Group and the Company assessed the fair value of investment in quoted shares and determined that an impairment loss should be recognised as the fair value is lower than the carrying amount. The fair value of investment in quoted shares is determined based on the market value of the quoted shares as at the end of the reporting period.

8. TRADE RECEIVABLES

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
Trade receivables	**10,108,104**	5,222,294	**5,777,400**	972,661
Less: Accumulated impairment losses	**(187,014)**	(96,640)	**(178,344)**	(88,182)
	9,921,090	5,125,654	**5,599,056**	884,479

The Group's and the Company's normal trade credit terms granted to trade receivables ranged from 30 to 90 days (2017: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Group and the Company is an amount of RMNil (2017: RM3,332), amount owing by a related party, in which director of the Company is also the director.

8. TRADE RECEIVABLES (CONT'D)

Movements of the accumulated impairment losses (individually impaired) are as follow:

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
Impact of adoption of MFRS 9	**91,232**	–	**91,232**	–
At 1 January	**96,640**	166,696	**88,182**	157,880
Additions	**1,392**	9,009	**1,180**	9,009
Reversals	**(2,250)**	(78,065)	**(2,250)**	(77,707)
Written off	**–**	(1,000)	**–**	(1,000)
	187,014	96,640	**178,344**	88,182

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
Other receivables	**418,625**	3,217,121	**398,725**	3,158,964
Deposits	**4,283,941**	168,159	**4,235,361**	88,751
Prepayments	**690**	45,983	**690**	39,383
	4,703,256	3,431,263	**4,634,776**	3,287,098

Included in other receivables of the Group and of the Company is an amount of RM3,619 (2017: RM2,947,317), being payment made to a supplier for the acquisition of a server which has not been completed during the financial period.

The foreign currency exposure profile is as follows:

	Group and Company	
	30.04.2019	31.12.2017
	RM	RM
United States Dollar	**114,391**	3,061,570

10. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	Company	
	30.04.2019	31.12.2017
	RM	RM
Amount owing by subsidiary companies		
- trade	**331,145**	1,505,884
- non-trade	**3,343,679**	3,143,972
	3,674,824	4,649,856
Less: Accumulated impairment losses	**(1,367,832)**	(1,318,374)
	2,306,992	3,331,482
Amount owing to a subsidiary company		
- non-trade	**–**	(77,839)

The trade amount is subject to the normal trade credit terms ranged from 30 to 90 days (2017: 30 to 90 days).

The non-trade balances are unsecured, interest-free and repayable on demand.

Movements of the accumulated impairment losses (individually impaired) are as follow:

	Company	
	30.04.2019	31.12.2017
	RM	RM
At 1 January	**1,318,374**	1,357,492
Additions	**49,458**	23,333
Reversal	**–**	(62,451)
At 30 April/31 December	**1,367,832**	1,318,374

11. SHORT-TERM INVESTMENT

Short-term investment represents deposit placement with investment fund management companies. The average effective interest rate of the short-term investment is Nil% (2017: 3.37%) on daily basis and are readily convertible to cash with insignificant risk of change in value.

12. FIXED DEPOSITS

	Group		Company	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
Fixed deposits with:				
- licensed banks	**16,396,090**	3,807,318	**16,290,000**	3,707,318
- non-financial institution	**–**	18,573,929	**–**	18,573,929
	16,396,090	22,381,247	**16,290,000**	22,281,247

The fixed deposits with licensed banks and non-financial institution earn effective interest at rate of 3.30% (2017: 3.00% to 3.80%) and 3.30% (2017: 3.80% to 4.00%) per annum respectively.

13. CASH AND BANK BALANCES

The foreign currency exposure profile are as follows:

	Group and Company	
	30.04.2019	31.12.2017
	RM	RM
United States Dollar	**21,975**	21,975

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
			RM	RM
Issued share capital:				
At 1 January	**478,383,400**	377,894,000	**44,556,012**	37,789,400
Issuance of shares pursuant to private placement	**–**	43,489,400	**–**	2,371,912
Issuance of shares pursuant to the exercise of ESOS	**–**	57,000,000	**–**	4,275,000
Transfer of ESOS reserve to share capital upon the exercise of ESOS	**–**	–	–	**119,700**
	478,383,400	478,383,400	**44,556,012**	44,556,012

14. SHARE CAPITAL (CONT'D)

In previous financial year, the Company increased its issued and paid-up ordinary share capital from RM37,789,400 to RM44,556,012 by way of the issuance of:

(a) 43,489,400 ordinary shares of RM0.05454 each as a result of the exercise of private placement; and

(b) 57,000,000 ordinary shares of RM0.075 each as a result of the exercise of Employees' Share Option Scheme ("ESOS").

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of the 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.

Effective from 31 January 2017, the ordinary shares have no par value.

15. REVALUATION RESERVE

	Group and Company	
	30.04.2019	31.12.2017
	RM	RM
At 1 January	**1,931,774**	1,954,284
Other comprehensive income:		
Revaluation of leasehold building	**1,164,511**	–
Deferred tax liabilities relating to components of other comprehensive income	**(279,483)**	–
Realisation of revaluation reserve of leasehold building	**(36,477)**	(22,510)
At 30 April / 31 December	**2,780,325**	1,931,774

The revaluation reserve represents the increase in the fair value of buildings of the Group and of the Company, net of deferred tax liabilities.

16. WARRANT RESERVE

Warrant reserve arose from the issuance of 188,946,927 (2017: 188,946,927) warrants at a fair valuation of RM0.025 per warrant.

Salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for three (3) new ordinary shares in the Company at an exercise price of RM0.10 during the 10 year period expiring on 5 November 2021 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll;

(b) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purposes; and

(c) Warrant holders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

17. ESOS RESERVE

ESOS reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shared options and is reduced by the expiry or exercise of the share options.

The movements of the options are as follows:

	<----------Group and Company----------> *Number of ESOS Options*			
Date of offer	As at 01.01.2018	Granted	Expired	As at 30.04.2019
12.04.2017	31,027,000	–	(31,027,000)	–

The fair value of the ESOS options granted of RM0.0021 per option on 12 April 2017 was estimated using the Black-Scholes Option Pricing Model. The key inputs to derive at the fair value of the options measured at the grant date are as follows:-

(a) Share prices assumed to be trading in the range of RM0.030 to RM0.070;

(b) Share price volatility is assumed at 20% to 40%;

(c) Annual risk free interest rate of 3.23%;

(d) Exercise price of the option of RM0.075 per option; and

(e) On 11 April 2018, the remaining 31,027,000 unexercised share options have expired .

18. TERM LOANS

	Group and Company	
	30.04.2019 RM	31.12.2017 RM
<u>Secured</u>		
Shown under current liabilities		
Within 1 year	–	64,165
Shown under non-current liabilities		
Between 1 to 2 years	–	64,165
Between 2 to 5 years	–	192,494
After 5 years	–	624,257
	–	880,916
	–	945,081

The term loans are denominated in RM, granted by a licensed bank and are secured by first legal charge over the buildings of the Group and of the Company as mentioned in Note 5.

The term loans bear effective interest rate at 2.00% (2017: 2.00%) below the bank's base lending rates ("BLR") per annum.

18. TERM LOANS (CONT'D)

The repayment terms of the term loans are as follows:

Term loan 1: Repayable in 180 monthly instalments of RM8,472, effective from January 2014.

Term loan 2: Repayable in 180 monthly instalments of RM7,355, effective from January 2014.

Term loan 3: Repayable in 180 monthly instalments of RM9,088, effective from January 2014.

Term loans 1 and 2 were settled in previous financial year.

Term loan 3 was settled during the financial period.

19. FINANCE LEASE PAYABLES

The finance lease payables are repayable as follows:

	Minimum lease payments RM	Future finance charges RM	Net present value RM
30.04.2019			
Shown under current liabilities			
Within 1 year	**176,880**	**(34,013)**	**142,867**
Shown under non-current liabilities			
Between 2 to 5 years	**684,214**	**(60,269)**	**623,945**
More than 5 years	**13,926**	**(73)**	**13,853**
	698,140	**(60,342)**	**637,798**
	875,020	**(94,355)**	**780,665**
31.12.2017			
Shown under current liabilities			
Within 1 year	176,880	(44,129)	132,751
Shown under non-current liabilities			
Between 2 to 5 years	707,520	(100,647)	606,873
More than 5 years	226,460	(6,732)	219,728
	933,980	(107,379)	826,601
	1,110,860	(151,508)	959,352

The finance lease payables bear effective interest at rates ranging from 2.47% to 2.64% (2017: 2.47% to 2.64%) per annum.

20. DEFERRED TAX LIABILITIES

	Group		Company	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
At 1 January	**659,770**	651,601	**644,493**	651,601
Revaluation surplus	**279,483**	–	**279,483**	–
Realised to profit or loss (Note 26)	**(11,783)**	8,169	**(11,783)**	(7,108)
At 30 April/31 December	**927,470**	659,770	**912,193**	644,493

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

	Accelerated capital allowance RM	Revaluation of assets RM	Total RM
Group			
At 1 January 2018	15,277	644,493	659,770
Revaluation surplus	–	279,483	279,483
Realisation of revaluation reserve	–	(11,783)	(11,783)
At 30 April 2019	15,277	912,193	927,470
At 1 January 2017	–	651,601	651,601
Recognised in profit or loss	15,277	–	15,277
Realisation of revaluation reserve	–	(7,108)	(7,108)
At 31 December 2017	15,277	644,493	659,770
Company			
At 1 January 2018	–	644,493	644,493
Revaluation surplus	–	279,483	279,483
Realisation of revaluation reserve	–	(11,783)	(11,783)
At 30 April 2019	–	912,193	912,193
At 1 January 2017	–	651,601	651,601
Realisation of revaluation reserve	–	(7,108)	(7,108)
At 31 December 2017	–	644,493	644,493

21. TRADE PAYABLES

The normal trade credit terms granted by trade payables to the Group and to the Company ranged from 30 to 90 days (2017: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile are as follows:

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
United States Dollar	**22**	13,819	**22**	13,819
Euro Dollar	**–**	1,140	**–**	–
	22	14,959	**22**	13,819

22. OTHER PAYABLES AND ACCRUALS

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
Other payables	**1,180,575**	373,035	**712,448**	123,840
Deposits received	**130**	130	**–**	–
Accruals	**152,800**	357,864	**107,000**	81,461
Deferred income	**466,055**	–	**41,241**	–
	1,799,560	731,029	**860,689**	205,301

23. REVENUE

	Group		*Company*	
	1.1.2018 to 30.04.2019	1.1.2017 to 31.12.2017	**1.1.2018 to 30.04.2019**	1.1.2017 to 31.12.2017
	RM	RM	**RM**	RM
Mobile applications	**8,457,183**	6,268,605	**5,189,772**	3,947,492
Wireless and multimedia related services	**19,053,029**	10,095,441	**5,307,670**	323,606
Others	**18,423**	–	**–**	–
	27,528,635	16,364,046	**10,497,442**	4,271,098

24. FINANCE COSTS

	Group		Company	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
Finance lease interest	**57,152**	36,582	**–**	–
Term loan interest	**2,753**	14,866	**2,753**	14,866
	59,905	51,448	**2,753**	14,866

25. LOSS BEFORE TAXATION

	Group		Company	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
Loss before taxation is stated *after charging:*				
Allowance for expected credit loss	**80,613**	–	**80,613**	–
Auditors' remuneration				
- current year's provision	**83,667**	68,400	**57,667**	44,400
- (over)/underprovision in respect of prior year	**(3,040)**	100	**(3,400)**	(200)
Depreciation of property, plant and equipment	**856,409**	559,633	**210,612**	178,273
Impairment losses on:				
- investment in subsidiary companies	**–**	–	**49,458**	100,000
- quoted shares	**2,126,391**	45,000	**2,126,391**	45,000
- unquoted shares	**–**	41,202	**–**	41,202
- trade receivables	**1,393**	9,009	**1,181**	9,009
- investment in associate companies	**–**	–	**3,857**	–
Loss on disposal of quoted shares	**314,188**	180,187	**314,188**	180,187
Loss on foreign exchange				
- realised	**2,419**	1,285	**2,419**	1,285
Rental of office equipment	**67,717**	49,980	**67,717**	49,980
Rental of premises	**105,630**	54,795	**105,630**	54,795
Employee benefit expenses *(Note 28)*	**3,182,050**	2,622,276	**2,368,578**	1,974,390

25. LOSS BEFORE TAXATION (CONT'D)

	Group		*Company*	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
and crediting:				
Waiver for payable	**87,922**	–	**87,922**	–
Gain on disposal of property, plant and equipment	**–**	41,654	**–**	–
Gain on foreign exchange				
- realised	**102**	5,509	**102**	5,509
Interest income	**770,931**	345,011	**759,831**	336,653
Rental income	**143,234**	114,843	**143,234**	114,843
Reversal of allowance for ECL	**1,644**	–	**–**	–
Reversal of impairment losses on				
- trade receivables	**–**	78,065	**–**	77,707
Management fee received	**–**	–	**1,078,236**	808,677
Other income	**9,724**	23,685	**9,380**	23,685

26. INCOME TAX EXPENSE

	Group		*Company*	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
Malaysian income tax:				
- current period's/year's provision	**297,904**	355,708	**–**	18,513
- (over)/underprovision in prior year	**(68,033)**	(369,600)	**18,105**	(18,984)
	229,871	(13,892)	**18,105**	(471)
Deferred tax:				
Realisation of revaluation reserve (Note 20)	**(11,783)**	(7,108)	**(11,783)**	(7,108)
Transfer from deferred tax liabilities (Note 20)	**–**	15,277	**–**	–
	(11,783)	8,169	**(11,783)**	(7,108)
	218,088	(5,723)	**6,322**	(7,579)

26. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		*Company*	
	01.01.2018 to 30.04.2019 RM	01.01.2017 to 31.12.2017 RM	**01.01.2018 to 30.04.2019 RM**	01.01.2017 to 31.12.2017 RM
Loss before taxation	**(3,176,305)**	(705,639)	**(2,559,996)**	(1,259,570)
Income tax expense at Malaysian statutory tax rate of 24% (2017: 24%)	**(762,313)**	(169,353)	**(614,399)**	(302,297)
Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	**1,421,677**	558,891	**975,859**	339,522
- income not subject to tax	**–**	(39,786)	**–**	(32,838)
- deferred tax assets not recognised during the year	**(361,460)**	14,126	**(361,460)**	14,126
- Utilisation of deferred tax assets not recognised in prior year	**–**	(206)	**–**	–
- underprovision of deferred tax liabilities in respect of prior year	**–**	7,313	–	–
- realisation of deferred tax liabilities arising from revaluation reserve	**(11,783)**	(7,108)	**(11,783)**	(7,108)
	1,048,434	533,230	**602,616**	313,702
(Over)/underprovision of taxation respect of prior year	**(68,033)**	(369,600)	**18,105**	(18,984)
	218,088	(5,723)	**6,322**	(7,579)

26. INCOME TAX EXPENSE (CONT'D)

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

Temporary differences

	Group		*Company*	
	30.04.2019 RM	31.12.2017 RM	**30.04.2019 RM**	31.12.2017 RM
Qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation	**(7,242)**	19,417	**(7,242)**	19,417
Unutilised capital allowances	**–**	108,569	**–**	108,569
Unabsorbed business losses	**1,646,180**	3,012,916	**28,763**	1,396,608
	1,638,938	3,140,902	**21,521**	1,524,594

27. LOSS PER SHARE

Basic Loss Per Share

The basic loss per ordinary share as at 30 April 2019 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	1.1.2018 to 30.04.2019	1.1.2017 to 31.12.2017
Total comprehensive loss attributable to owners of the Company (RM)	**(2,509,365)**	(699,916)
Weighted average ordinary shares issued as at 30 April 2019 and 31 December 2017	**478,383,400**	431,054,588
Basic loss per share (Sen)	**(0.52)**	(0.16)

27. LOSS PER SHARE (CONT'D)

Diluted Loss Per Share

	Group 1.1.2018 to 30.04.2019	1.1.2017 to 31.12.2017
Total comprehensive loss attributable to owners of the Company (RM)	**(3,357,916)**	(699,916)
Weighted average ordinary shares issued as at 31 December	**478,383,400**	431,053,588
Effect of exercised of warrants	**188,946,927**	188,946,927
Effect of exercised of ESOS	**–**	31,027,000
Weighted average ordinary shares issued as at 30 April/31 December	**667,330,327**	651,027,515
Diluted earnings per share (Sen)	**N/A**	N/A

N/A: The diluted loss per share was not applicable as the exercise price of Warrants and ESOS have exceeded the average market price of ordinary shares during the financial period.

28. EMPLOYEE BENEFIT EXPENSES

The employee benefit expenses recognised in profit or loss are as follows:

	Group		*Company*	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM	**1.1.2018 to 30.04.2019 RM**	1.1.2017 to 31.12.2017 RM
Salaries and wages	**2,477,871**	1,946,313	**1,800,535**	1,475,046
Defined contribution plan	**300,148**	235,607	**216,320**	178,529
Other employee benefit expenses	**404,031**	255,499	**351,723**	200,008
Share-based payment	**–**	184,857	**–**	120,807
	3,182,050	2,622,276	**2,368,578**	1,974,390

Included in employee benefit expenses are directors' remuneration who are also the key management personnel of the Group and of the Company:

	Group and Company	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM
Directors of the Company		
Directors' remuneration		
- fees	**150,000**	123,000
- other emoluments	**443,858**	367,053

29. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from the financing activities, including both cash and non-cash changes as follows:-

	As at 01.01.2018 RM	Cash Flows RM	Non-cash changes RM	At 30.04.2019 RM
Group				
Term loans	945,081	(945,081)	–	–
Finance lease payables	–	(178,688)	601,977	780,665
	945,081	(1,123,769)	601,977	780,665
Company				
Term loans	945,081	(945,081)	–	–

The non-cash changes are relating to property, plant and equipment acquired under finance lease.

30. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as chief operating decision makers in order to allocate resources to segments and to assess their performances. For management purposes, the Group is organised into business segments based on their products and services provided.

The Group is organised into main operating segments as follows:

(a) Mobile applications

Provision of mobile application platforms for Short Message Services (SMS) to mobile phone users.

(b) Wireless and multimedia related services

Consultations, sales, marketing and implementation of m-business solutions, management of content resources business and other related multimedia services.

For the purpose of making decisions about resource allocation, the Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

30. OPERATING SEGMENTS (CONT'D)

(i) Business Segments

	Mobile application RM	Wireless and multimedia related services RM	Others RM	Elimination RM	Total RM
Group					
30.04.2019					
Revenue					
External revenue	8,457,183	19,053,029	18,423	–	27,528,635
Total revenue	8,457,183	19,053,029	18,423	–	27,528,635
Results					
Segment results	(1,195,104)	(2,616,331)	(75,896)	–	(3,887,331)
Interest income	237,012	533,919	–	–	770,931
Finance costs	(18,417)	(41,488)	–	–	(59,905)
Profit before taxation	(976,509)	(2,123,900)	(75,896)	–	(3,176,305)
Income tax expense	(67,048)	(151,040)	–	–	(218,088)
(Loss)/profit after	–			–	
taxation	(1,043,557)	(2,274,940)	(75,896)	–	(3,394,393)
Assets					
Segment assets	13,729,654	30,931,281	–	–	44,660,935
Liabilities					
Segment liabilities	1,855,403	4,180,003	–	–	6,035,406
Unallocated liabilities	–	–	–	–	927,470
Total liabilities	1,855,403	4,180,003	–	–	6,962,876
Other information					
Capital expenditure	10,122	22,805	–	–	32,927
Depreciation	263,277	593,132	–	–	856,409
Gain on foreign exchange - realised	102	–	–	–	102
Impairment losses on					
- quoted shares	2,126,391	–	–	–	2,126,391
- trade receivable	1,393	–	–	–	1,393
Reversal of allowance for ECL	1,644	–	–	–	1,644

30. OPERATING SEGMENTS (CONT'D)

Group 31.12.2017	Mobile applications RM	Wireless and multimedia related services RM	Elimination RM	Total RM
Revenue				
External revenue	6,268,605	10,095,441	–	16,364,046
Total revenue	6,268,605	10,095,441	–	16,364,046
Results				
Segment results	(382,766)	(616,436)	–	(999,202)
Interest income	132,164	212,847	–	345,011
Finance costs	–	–	–	(51,448)
Loss before taxation	(250,602)	(403,589)	–	(705,639)
Income tax expense	–	–	–	5,723
Loss after taxation	(250,602)	(403,589)	–	(699,916)
Assets				
Segment assets	17,866,175	28,773,056	–	46,639,231
Liabilities				
Segment liabilities	2,206,408	3,553,368	–	5,759,776
Unallocated liabilities	–	–	–	659,770
Total liabilities	2,206,408	3,553,368	–	6,419,546
Other information				
Capital expenditure	819,476	1,319,748	–	2,139,224
Depreciation	214,380	345,253	–	559,633
Impairment loss on				
- quoted shares	45,000	–	–	45,000
- unquoted shares	41,202	–	–	41,202
- trade receivables	9,009	–	–	9,009
Reversal of impairment losses on trade receivables	78,065	–	–	78,065

No disclosure on geographical segment information as the Group's transactions outside Malaysia comprise less than 10% of the total revenue.

30. OPERATING SEGMENTS (CONT'D)

Major Customers

The following are major customers with revenue equal to or more than 10% of the Group revenue:

	Revenue	
	1.1.2018 to 30.04.2019 RM	1.1.2017 to 31.12.2017 RM
Company A	**6,326,631**	2,596,926
Company B	**1,439,262**	1,926,693
Company C	**4,434,150**	8,292,170

31. RELATED PARTY DISCLOSURE

(a) Identities of related parties

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

(b) Related party transactions

In addition to the related party balances disclosed in *Notes 8* and *10*, the Company had the following transactions with related parties during the financial period:

	Company	
	01.01.2018 to 30.04.2019 RM	01.01.2017 to 31.12.2017 RM
Management fees received from a subsidiary company	**1,078,236**	808,677

(c) Compensation of key management personnel

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

	Group and *Company*	
	01.01.2018 to 30.04.2019 RM	01.01.2017 to 31.12.2017 RM
Short term employee benefits	**593,858**	490,053

32. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to a variety of market risks (foreign currency risk, interest rate risk and equity price risk), credit risk, liquidity and cash flow risks. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and on the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity and cash flow risks. The Group's and the Company's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(a) *Foreign Currency Risk*

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currencies of the Group and the Company. The currencies giving rise to this risk are primarily United States Dollar (USD), Euro Dollar (EUR) and Swedish Krona (KR). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The net unhedged financial assets and financial liabilities of the Group and of the Company not denominated in RM were as follows:-

		Denominated in		
	USD RM	EURO RM	KR RM	Total RM
Group				
30.04.2019				
Other receivables, deposits and prepayments	114,391	–	–	114,391
Cash and bank balances	21,975	–	–	21,975
Trade payables	(11)	–	–	(11)
	136,355	–	–	136,355
31.12.2017				
Other receivables, deposits and prepayments	3,061,570	–	–	3,061,570
Cash and bank balances	21,975	–	–	21,975
Trade payables	(13,819)	(1,140)	–	(14,959)
	3,069,726	(1,140)	–	3,068,586

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(i) Market Risk (cont'd)

(a) *Foreign Currency Risk (cont'd)*

The net unhedged financial assets and financial liabilities of the Group and of the Company not denominated in RM were as follows:- (cont'd)

	Denominated in USD RM	EURO RM	KR RM	Total RM
Company				
30.04.2019				
Other receivables, deposits and prepayments	114,391	–	–	114,391
Cash and bank balances	21,975	–	–	21,975
Trade payables	(11)	–	–	(11)
	136,355	–	–	136,355
31.12.2017				
Other receivables, deposits and prepayments	3,061,570	–	–	3,061,570
Cash and bank balances	21,975	–	–	21,975
Trade payables	(13,819)	–	–	(13,819)
	3,069,726	–	–	3,069,726

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	Group		*Company*	
	30.04.2019 RM Increase/ (Decrease)	30.12.2017 RM Increase/ (Decrease)	**30.04.2019 RM Increase/ (Decrease)**	2017 RM Increase/ (Decrease)
Effects on profit after tax/equity				
Strengthened by 10%				
- USD	**13,636**	306,973	**13,636**	306,973
- EUR	**–**	(114)	**–**	–
Weakened by 10%				
- USD	**(13,636)**	(306,973)	**(13,636)**	(306,973)
- EUR	**–**	114	**–**	–

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(i) Market Risk (cont'd)

(b) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposures to interest rate risk arise mainly from their deposits placed with licensed banks and interest bearing financial liabilities. The Group's and the Company's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

Interest Rate Risk Sensitivity Analysis

Fixed Rate Instruments

The interest rate risk sensitivity analysis on the fixed rates financial instruments is not disclosed as the interest-bearing financial instruments carry fixed interest rates where the Group and the Company believe that no reasonably possible change in the risk variable could affect the results of the Group and of the Company materially.

Floating Rate Instruments

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	Group and Company	
	30.04.2019	31.12.2017
	RM	RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on profit before tax/equity		
Increase of 100 basis points (bp)	**–**	(9,451)
Decrease of 100 bp	**–**	9,451

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(i) Market Risk (cont'd)

(c) *Equity Price Risk*

The Group and the Company are exposed to equity price risk arising from their investment in quoted shares. The quoted shares in Malaysia are listed on Bursa Malaysia Securities Berhad. These instruments are classified as available-for-sale financial assets. The Group and the Company do not have exposure to commodity price risk.

Equity Price Risk Sensitivity Analysis

A 10% increase in the market price of the quoted shares as at the end of the reporting period would have increased equity by RM351,106. A 10% decrease in market price would have had equal but opposite effect on equity.

(ii) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposures to credit risk arise mainly from trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of these financial assets in the statements of financial position reduced by the effects of any netting arrangements with counterparties. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. The Company only provides advances to subsidiary companies. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties and financial institutions.

The Group and the Company establish an allowance for impairment that represents their estimate of incurred losses in respect of the trade and other receivables as appropriate. The main component of this allowance is a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

Credit Risk Concentration Profile

The Group and the Company have no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables.

Exposure to Credit Risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(ii) Credit Risk (cont'd)

Ageing Analysis

The ageing analysis of the Group's and the Company's trade receivables at the reporting date is as follows:-

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	**RM**	RM
Not past due	**3,216,960**	3,233,782	**999,586**	527,272
Past due but not impaired:				
- less than 3 months	**947,844**	1,295,129	**22,245**	285,959
- 3 to 6 months	**5,735,664**	280,143	**4,547,933**	29,585
- more than 6 months	**207,636**	413,240	**207,636**	129,845
	6,891,144	1,988,512	**4,777,814**	445,389
Impaired	**(95,782)**	(96,640)	**(87,112)**	(88,182)
Expected credit loss	**(91,232)**	–	**(91,232)**	–
	9,921,090	5,125,654	**5,599,056**	884,479

Trade receivables that are neither past due nor impaired are regular customers of the Group and of the Company. The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due of more than 6 months, which are deemed to have higher credit risk, are monitored individually.

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

At the end of the reporting period, trade receivables that were individually impaired were those in financial difficulties and have defaulted in payments.

(iii) Liquidity and Cash Flow Risks

Liquidity and cash flow risks are the risks that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposures to liquidity and cash flow risks arise mainly from general funding and business activities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(iii) Liquidity and Cash Flow Risks (cont'd)

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
Group							
30.04.2019							
Trade payables	–	3,455,181	3,455,181	3,455,181	–	–	–
Other payables and accruals	–	1,799,560	1,799,560	1,799,560	–	–	–
Finance lease payables	2.47 - 2.64	780,665	875,020	176,880	176,880	507,334	13,926
		6,035,406	6,129,761	5,431,621	176,880	507,334	13,926
31.12.2017							
Trade payables	–	3,124,314	3,124,314	3,124,314	–	–	–
Other payables and accruals	–	731,029	731,029	731,029	–	–	–
Term loans	BLR-2	945,081	1,016,068	109,056	109,056	327,168	470,788
Finance lease payables	2.47 - 2.64	959,352	1,110,860	176,880	176,880	530,640	226,460
		5,759,776	5,982,271	4,141,279	285,936	857,808	697,248

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(iii) Liquidity and Cash Flow Risks (cont'd)

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period): (cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
Company							
30.04.2019							
Trade payables	–	900,767	900,767	900,767	–	–	–
Other payables and accruals	–	860,689	860,689	860,689	–	–	–
		1,761,456	1,761,456	1,761,456	–	–	–
31.12.2017							
Trade payables	–	1,330,048	1,330,048	1,330,048	–	–	–
Other payables and accruals	–	205,301	205,301	205,301	–	–	–
Amount owing to a subsidiary company	–	77,839	77,839	77,839	–	–	–
Term loans	BLR-2	945,081	1,016,068	109,056	109,056	327,168	470,788
		2,558,269	2,629,256	1,722,244	109,056	327,168	470,788

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as return the capital to shareholders and issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group is calculated as term loans, finance lease payables, trade and other payables plus accruals less cash and cash equivalents. Net debt for the Company is calculated as term loans, trade and other payables and accruals plus amount owing to a subsidiary company less cash and cash equivalents.

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (cont'd)

The debt-to-equity ratios of the Group and of the Company as at the end of the financial period were as follows:

	Group		*Company*	
	30.04.2019	31.12.2017	**30.04.2019**	31.12.2017
	RM	RM	***RM***	RM
Trade payables	**3,455,181**	3,124,314	**900,767**	1,330,048
Other payables and accruals	**1,799,560**	731,029	**860,689**	205,301
Amount owing to a subsidiary company	**–**	**–**	**–**	77,839
Finance lease payables	**780,665**	959,352	**–**	–
Term loans	**–**	945,081	**–**	945,081
	6,035,406	5,759,776	**1,761,456**	2,558,269
Less: Cash and cash equivalents	**(17,377,563)**	(8,857,627)	**(16,392,155)**	(7,840,714)
Net debt	**(11,342,157)**	(3,097,851)	**(14,630,699)**	(5,282,445)
Total equity	**37,698,059**	40,219,685	**38,564,673**	40,256,682
Debt-to-equity ratio	**N/A**	N/A	**N/A**	N/A

N/A: The cash and cash equivalents of the Group and of the Company are sufficient to settle all the debts of the Group and of the Company as at the financial period end.

There were no changes in the Group's and the Company's approaches to capital management during the financial period.

(c) Classification Of Financial Instruments

The Group and the Company financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in note 4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

32. FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

(i) Amortised cost ("AC"); and

(ii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
Financial assets			
30.04.2019			
Group			
Other investments	3,511,059	–	3,511,059
Trade and other receivables	14,624,346	14,624,346	–
Fixed deposits with licensed bank	16,396,090	16,396,090	–
Cash and bank balances	981,473	981,473	–
Company			
Other investments	3,511,059	–	3,511,059
Trade and other receivables	10,233,832	10,233,832	–
Amount owing by subsidiary companies	2,306,992	2,306,992	–
Fixed deposits with licensed bank	16,290,000	16,290,000	–
Cash and bank balances	102,155	102,155	–

	Carrying amount RM	AC RM
Financial liabilities		
30.04.2019		
Group		
Trade and other payables	5,254,741	5,254,741
Finance lease liabilities	780,665	780,665
Company		
Trade and other payables	1,761,456	1,761,456

32. FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised under MFRS 139 as follows:

(i) Loan and receivables ("LR")

(ii) Available-for-sale Financial Assets ("AFSFS")' and

(iii) Financial liabilities measured at amortised cost ("FL")

	Carrying amount RM	LR RM	AFSFS RM
Financial assets			
31.12.2017			
Group			
Other investments	1,780,000	–	1,780,000
Trade and other receivables	8,556,917	8,556,917	–
Short term investment	2,665,184	2,665,184	–
Fixed deposits with licensed bank	22,381,247	22,381,247	–
Cash and bank balances	2,385,125	2,385,125	–
Company			
Other investments	1,780,000	–	1,780,000
Trade and other receivables	4,171,577	4,171,577	–
Amount owing by subsidiary companies	3,331,482	3,331,482	–
Short-term investment	2,665,184	2,665,184	–
Fixed deposits	22,281,247	22,281,247	–
Cash and bank balances	1,468,212	1,468,212	–

	Carrying amount RM	FL RM
Financial liabilities		
31.12.2017		
Group		
Trade and other payables	3,855,343	3,855,343
Finance lease liabilities	959,352	959,352
Term loan	945,081	945,081
Company		
Trade and other payables	1,535,349	1,535,349
Amount owing to subsidary companies	77,839	77,839
Term loan	945,081	945,081

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company reported in the financial statements approximated their fair values due to the short-term nature, except for:

(i) Quoted shares in other investments

Quoted shares in other investments are carried at fair value by reference to their quoted closing prices at the end of the reporting period.

(ii) Unquoted shares in other investments

It was not practicable to estimate the fair value of investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

(iii) Non-current portion of term loans

The non-current portion of term loans are reasonably approximate fair value as they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

(iv) Financial instruments that are not approximately fair value are as follows:

	Carrying amount RM	Fair value RM
Group		
30.04.2019		
Finance liabilities		
Finance lease payables (non-current portion)	637,798	634,851
31.12.2017	826,601	825,010

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

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 30 April 2019 are as follows:

(i) Level 1: fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

(ii) Level 2: fair value is estimated using inputs other than unquoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

(iii) Level 3: fair value is estimated using unobservable inputs for the financial assets and liabilities.

	Group and Company	
	RM	RM
Level 1		
Quoted shares	3,511,059	1,780,000

The Group and the Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 30 April 2019.

33. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

(a) On 15 January 2018, the Company announced that it has entered into a Memorandum of Understanding with Sanichi Property Sdn. Bhd. ("SPSB") for the purpose of providing online leasing or short-term luxury rental service for 120 units of Marina Point, SPSB's property project located at Klebang, Melaka.

(b) On 13 April 2018, the Company announced that it has terminated the Memorandum of Understanding entered with Petrowangsa Sdn. Bhd. ("Petrowangsa") for purpose of collaboration to provide multimedia advertising and digital solutions to Petrowangsa, upon mutual agreement.

(c) On 12 March 2019, the Company announced that Maise Beauty Sdn. Bhd., a wholly-owned subsidiary of the Company has been struck-off and published in the Gazette.

(d) On 9 April 2019, the Company announced that it plans to undertake a proposed renounceable rights issue of up to 3,769,226,735 new irredeemable convertible preference shares in the Company ("ICPS") together with up to 75,384,534 free detachable warrants in the Company ("Warrants B") on the basis of 50 ICPS together with 1 free Warrant B for every 10 existing ordinary shares in the Company. ("Proposed Rights Issue")

On 26 April 2019, Bursa Securities has principally approved the Proposed Rights Issue.

34. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

(a) On 6 May 2019, Digital Kung-Fu Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired nine (9) units of office unit in the commercial development known as Klebang Marina Point, Melaka.

(b) On 15 May 2019, the Company announced that Empire ME Limited, a wholly-owned subsidiary of the Company, has been struck off by the Jebel Ali Free Zone Authority of United Arab Emirates on 13 May 2019.

(c) On 10 June 2019, the Company announced that all the resolutions pertaining to the Proposed Rights Issue were duly passed by the shareholders of the Company at an extraordinary general meeting.

On 18 July 2019, the Company announced that it has resolved to fix the issue price of the ICPS at RM0.03 per ICPS and the exercise price of the Warrants B at RM0.06 per Warrant B ("Exercise Price"). Subsequently the entitlement date for the Proposed Rights Issue has been set on 7 August 2019 and the abridged prospectus was despatched on 9 August 2019.

(d) On 15 July 2019, the Company announced that it has entered into a Memorandum of Understanding with Urban Setup Sdn. Bhd. for the purpose of providing a transparent, secured and convenient mobile physical gold retail platform in Malaysia.

35. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

During the financial period, the Company adopted MFRS 9 Financial Instruments on their financial statements. The Company generally applied the requirements of these accounting standards retrospectively with practical expedients and transitional exemptions as allowed by the standards. Nevertheless, as permitted by MFRS 9, the Company has elected not to restate the comparatives.

(a) Impacts of MFRS 9 on Statement of Financial Position

The following table summarises the impacts arising from the adoption of MFRS 9:

	As at 31.12.2017 RM	Effect of MFRS 9 RM	As at 1.1.2018 RM
Trade and other receivables	884,479	(10,619)	873,860
Total assets	884,479	(10,619)	873,860
Accumulated losses	(11,020,034)	(10,619)	(11,030,653)
Total equity	(11,020,034)	(10,619)	(11,030,653)

36. COMPARATIVES

The comparatives for the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows, as well as the comparatives in the respective rates to the financial statements for the previous twelve months ended 31 December 2017 are hence not comparable to that for the current sixteen months ended 30 April 2019.

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 15 August 2019 by the Board of Directors.

List of Properties
As at 30 April 2019

No.	Location	Description/ Existing Use	Tenure	Date of Revaluation	Land Area (Square meter)	Age of Building	Net Carrying Value as at 30.04.2019 RM
1.	100-5.011, Block J, 129 Offices, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan	Office Suites / Rented	Leasehold (99 years end 28 May 2105)	30 August 2018	245	5 years	RM 2,629,647
2.	100-3.011, Block J, 129 Offices, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan	Office Suites / M N C Wireless Berhad's corporate office	Leasehold (99 years end 28 May 2105)	30 August 2018	245	5 years	RM2,629,647
3.	100-3.013, Block J, 129 Offices, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan	Office Suites / M N C Wireless Berhad's corporate office	Leasehold (99 years end 28 May 2105)	30 August 2018	204.2	5 years	RM2,183,102

Analysis of Shareholdings

As at 22 July 2019

Total Number of Issued Share	:	478,383,400 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share
Number of Shareholders	:	1,920

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	13	0.68	310	0.00
100 - 1,000	506	26.35	117,690	0.02
1,001 - 10,000	221	11.51	1,379,600	0.29
10,001 - 100,000	772	40.21	41,463,600	8.67
100,001 - 23,919,169*	405	21.09	262,445,700	54.86
23,919,170 and above**	3	0.16	172,976,500	36.16
TOTAL	**1,920**	**100.00**	**478,383,400**	**100.00**

Notes:

* *Less than 5% of Issued Shares*

** *5% and above of Issued Shares*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 22 July 2019)

Name of Substantial Shareholder	<---Direct Interest---> No. of Shares	%	<---Indirect Interest---> No. of Shares	%
Metronic Global Berhad	76,856,400	16.07	–	–

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 22 July 2019)

Name of Directors	<---Direct Interest---> No. of shares	%	<---Indirect Interest---> No. of shares	%
Wong Kok Seong	–	–	–	–
Tan Chor How Christopher	50,000	0.01	–	–
Thu Soon Shien	–	–	–	–
Pang Siaw Sian	–	–	–	–
Dato' Kua Khai Shyuan	–	–	–	–

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 22 JULY 2019

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Investor Name	No. of Shares held	%
1.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Metronic Global Berhad*	76,856,400	16.07
2.	HSBC Nominees (Asing) Sdn. Bhd. *BNP Paribas Secs Svs Paris for Global Prime Partners Ltd.*	53,651,200	11.22
3.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Exempt An for Nomura PB Nominees Ltd.*	42,468,900	8.88
4.	Affin Hwang Nominees (Asing) Sdn. Bhd. *Exempt An for Sanston Financial Group Limited (Account Client)*	16,438,300	3.44
5.	Lim Gek Shan	16,050,000	3.36
6.	Lim Lai Peng	11,572,200	2.42
7.	UOBM Nominees (Tempatan) Sdn. Bhd. *Exempt An for Sanston Financial Group Limited*	9,000,000	1.88
8.	HSBC Nominees (Asing) Sdn. Bhd. *Exempt An for Credit Suisse AG (DUB CLT N-TREAT)*	6,940,600	1.45
9.	Citigroup Nominees (Asing) Sdn. Bhd. *UBS AG for Maybank Kim Eng Securities Pte. Ltd.*	6,500,000	1.36
10.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Exempt An for Maybank Kim Eng Securities Pte. Ltd. (A/C 648849)*	6,150,500	1.29
11.	Lee Guan Hooi	5,400,000	1.13
12.	SJ Sec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Kok Hui (SJ10)*	4,926,800	1.03
13.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt An for OCBC Securities Private Limited (Client A/C-NR)*	4,000,000	0.84
14.	Gan Teck Siew	4,000,000	0.84
15.	Quek Soon Tiang	4,000,000	0.84
16.	Robert Tan	4,000,000	0.84
17.	Wee Jui Jong	4,000,000	0.84
18.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sun Ping*	3,514,000	0.73
19.	Teng Chuan Heng	3,100,000	0.65
20.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Ing Kiong*	3,000,000	0.63
21.	Tye Yong Pou	3,000,000	0.63
22.	Zulkifli Bin Osman	3,000,000	0.63
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yu Ching Seng (011)*	2,200,000	0.46
24.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Zulkifli Bin Osman (8123988)*	2,028,500	0.42
25.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Peter Wong (MG0086-027)*	2,004,000	0.42
26.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Hadian Bin Hashim (PBCL-0G0323)*	2,000,000	0.42
27.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Leow Kuan Shu*	2,000,000	0.42
28.	Maybank Nominees (Tempatan) Sdn. Bhd. *Hiew Chee Lip*	1,900,000	0.40
29.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Benjamin Lim Keong Hoe*	1,860,800	0.39
30.	Tan Mei Ling	1,825,600	0.38

Analysis of Warrants A Holdings
As at 22 July 2019

Type of Securities	:	Warrants A
No. of Warrant Issued	:	188,946,927
Exercise Price	:	RM0.10
Exercise Period	:	11 November 2016 to 5 November 2021

DISTRIBUTION OF WARRANTS HOLDINGS

Size of Holdings	No. of Warrants Holders	Percentage (%)	No. of Warrants	Percentage (%)
Less than 100	69	10.87	3,395	0.00
100 - 1,000	20	3.15	10,946	0.01
1,001 - 10,000	40	6.30	262,167	0.14
10,001 - 100,000	252	39.69	15,200,358	8.04
100,001 - 9,447,345*	253	39.84	160,873,761	85.14
9,447,345 and above**	1	0.16	12,596,300	6.67
TOTAL	**635**	**100.00**	**188,946,927**	**100.00**

Notes:

* *Less than 5% of Issued Warrants*
** *5% and above of Issued Warrants*

DIRECTORS' WARRANTS HOLDINGS
(According to the Register of Directors' Warrants Holdings as at 22 July 2019)

	<-----------Direct--------->		<---------Indirect------->	
Name of Directors	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Wong Kok Seong	–	–	–	–
Tan Chor How Christopher	–	–	–	–
Thu Soon Shien	–	–	–	–
Pang Siaw Sian	–	–	–	–
Dato' Kua Khai Shyuan	–	–	–	–

LIST OF THIRTY LARGEST WARRANTS HOLDERS AS AT 22 JULY 2019

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Investor Name	No. of Warrants held	%
1.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Exempt An for Nomura PB Nominees Ltd.*	12,596,300	6.67
2.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Exempt An for Maybank Kim Eng Securities Pte. Ltd. (A/C 648849)*	6,400,000	3.39
3.	Kong Kok Keong	5,616,500	2.97
4.	Low Loong Kuan	5,000,000	2.65
5.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tay Chai Gnoh*	4,500,000	2.38
6.	Low Loong Kuan	4,500,000	2.38
7.	Hew Chee Kong	3,750,066	1.98
8.	Mohd Zamri Bin Ismail	3,438,500	1.82
9.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Loon Yeow (CCTS)*	3,300,000	1.75
10.	Lee Guan Hooi	3,266,000	1.73
11.	Loh Hsin Yuan	3,186,900	1.69
12.	Gan Teck Siew	2,833,333	1.50
13.	Wong Kook Chee	2,800,000	1.48
14.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Foong Chee Peng*	2,535,000	1.34
15.	Foo Toon Lock	2,474,000	1.31
16.	Ong Chin Yee	2,350,000	1.24
17.	Lum Yin Mui	2,200,000	1.16
18.	Ho Chun Siong	2,150,000	1.14
19.	Leong Kuan Min	2,000,000	1.06
20.	Robert Tan	2,000,000	1.06
21.	Yong Wye Hong	1,900,000	1.01
22.	Loke Pak Joen	1,827,000	0.97
23.	Song Han Leong	1,800,000	0.95
24.	Goh Chai Seng	1,580,500	0.84
25.	Loh Hsin Yuan	1,579,900	0.84
26.	Lee Kok Hoong	1,563,533	0.83
27.	Liew Yook Kuiw	1,500,000	0.79
28.	Ling Yee Ting	1,200,000	0.64
29.	Goh Chin Teng	1,166,600	0.62
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Wong Bing Yuan*	1,130,000	0.60

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting ("AGM" or "the Meeting") of M N C WIRELESS BERHAD ("MNC" or "the Company") will be held at Pendeta 4, Le Grandeur Palm Resort Johor, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor Darul Takzim on Friday, 20 September 2019 at 10:30 a.m. to transact the following businesses:-

A G E N D A

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial period ended 30 April 2019 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note (a)***

2. To approve the payment of Directors' fees and benefits of up to RM185,000.00 for the period from 1 June 2019 to 30 April 2020. ***Ordinary Resolution 1***

3. To re-elect the following Directors who retire by rotation in accordance with Clause 92 of the Company's Constitution:-

   i. Mr. Tan Chor How Christopher; and ***Ordinary Resolution 2***
   ii. Ms. Pang Siaw Sian ***Ordinary Resolution 3***

4. To re-appoint Messrs. Ong & Wong Chartered Accountants as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 4***

AS SPECIAL BUSINESS:

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

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (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 approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." ***Ordinary Resolution 5***

6. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** ***Special Resolution***

   "THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in "Appendix A" with immediate effect AND THAT the Directors and/or the Secretary of the Company be authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324)
SSM Practising Certificate No.: 201908001272
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
22 August 2019

Notes:

(a) The Agenda No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from shareholders for the Audited Financial Statements. Hence, Agenda No. 1 is not put forward for voting.

(b) A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

(c) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 51(6) of the Company's Constitution to issue a General Meeting Record of Depositors as at 12 September 2019. Only members whose names appear in the General Meeting Record of Depositors as at 12 September 2019 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(d) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(h) The instrument appointing a proxy must be deposited at the Share Registrar Office of the Company situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote.

(i) All the resolutions set out in the Notice of the Meeting will be put to vote by poll.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. Item 5 of the Agenda – General Authority for the Directors to Allot and Issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016. This Ordinary Resolution, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such shares. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the Fourteenth AGM held on 22 June 2018 which will lapse at the conclusion of the Fifteenth AGM.

2. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company

The Special Resolution proposed under item 6 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company are made mainly for the following purposes:-

(a) To ensure compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad; and

(b) To provide clarity and consistency with the amendments that arise from the Companies Act 2016 and other relevant regulatory provisions.

This Special Resolution if passed, will allow the Company to alter or amend the whole of the existing Constitution by the replacement with the proposed new Constitution as per "Appendix A" in accordance with Section 36(1) of the Companies Act 2016. The "Appendix A" on the proposed new Constitution of the Company, which is circulated together with the Notice of AGM dated 22 August 2019, shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Fifteenth AGM.

M N C WIRELESS BERHAD
(Company No: 635884-T)
(Incorporated in Malaysia)

PROXY FORM

I/We* ....NRIC/Company No.*..
(full name in capital letters)
of ....
(full address)
being (a) member(s) of M N C WIRELESS BERHAD (635884-T) ("the Company") hereby appoint ....
....NRIC No. ....
(full name in capital letters)
of ....
(full address)
and/or*,.. NRIC No. ....
(full name in capital letters)
of ....
(full address)

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fifteenth Annual General Meeting ("AGM" or "Meeting") of the Company to be held at Pendeta 4, Le Grandeur Palm Resort Johor, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor Darul Takzim on Friday, 20 September 2019 at 10:30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM185,000.00 for the period from 1 June 2019 to 30 April 2020.		
2.	To re-elect Mr. Tan Chor How Christopher as a Director who retires by rotation in accordance with Clause 92 of the Company's Constitution.		
3.	To re-elect Ms. Pang Siaw Sian as a Director who retires by rotation in accordance with Clause 92 of the Company's Constitution.		
4.	To re-appoint Messrs. Ong & Wong Chartered Accountants as Auditors of the Company.		
5.	To approve the authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

No.	Special Resolution	For	Against
1.	To approve the Proposed Amendments to the Constitution of the Company		

** delete whichever not applicable*

CDS Account No.	
No. of Shares Held	

Dated this .... day of .... 2019.

....
Signature of Member(s)/ Common Seal

Percentage of shareholdings to be represented by the proxies:		
	No. of Shares	**%**
Proxy 1		
Proxy 2		
TOTAL		100

Notes:

(a) The Agenda No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from shareholders for the Audited Financial Statements. Hence, Agenda No. 1 is not put forward for voting.

(b) A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

(c) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 51(6) of the Company's Constitution to issue a General Meeting Record of Depositors as at 12 September 2019. Only members whose names appear in the General Meeting Record of Depositors as at 12 September 2019 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(d) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(h) The instrument appointing a proxy must be deposited at the Share Registrar Office of the Company situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote.

(i) All the resolutions set out in the Notice of the Meeting will be put to vote by poll.

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Then fold here

Affix
Stamp

The Share Registrar
M N C Wireless Berhad (635884-T)
c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia

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M N C Wireless Berhad
(Company No. 635884-T)

100-3.011, Block J, 129 Offices, Jaya One,
No. 72A Jalan Universiti, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

Phone: 603 7491 1880 **Fax:** 603 7491 1899

www.mnc.com.my